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## Washington Irked By Israel's Delay On Beirut Pullout

By Bernard Gwertzman New York Times Service

WASHINGTON — Despite Is-rael's consent to the landing of U.S., Italian and French forces in Beirut, Reagan administration of-ficials have expressed irritation at Israel's seeming refusal to agree to President Ronald Reagan's de-mand for an immediate withdraw-al of its troops from the Lebanese

Israel's rejection of an investigation into the Beirut massacre of Palestinians has surprised Washington as well, lessening the possibility of projected increases in U.S.

The State Department said that plans for the landing of the three-nation force later this week were going ahead following the decision of the Israeli cabinet Tuesday to accept the re-entry of the troops.

But White House and State Department officials said that the adinistration remained 'concerned that the Israelis had avoided giving a clear-cut statement on when Israeli forces would be withdrawn

Mr. Reagan has repeatedly insisted on an immediate pullback of the Israelis and, in his statement on Monday, said that for the three-nation force to succeed, "it is essential that Israel withdraw from

Lebanon."
"Our position is clear," John
Hughes, the State Department
spokesman said Tuesday. "We are
calling for an immediate withdrawa) of israelis." Another State Department official said that Secretary of State George P. Shultz had demanded on Saturday a "prompt and positive" response from the Israchs to the request that they withdraw immediately.

"We still have not gotten that answer," the official said. The Israelis have said that they would gradually turn over their positions in West Beirnt, which they took up last week, to the Lebanese Army, and Defense Minister Ariel Sharon had said prior to the mas-sacre of Palestinians in West Beirut that this could take a matter

Mr. Hughes said that there seemed to be a "drawing down of Israeli troops" in West Beirut, "but we are not aware that any Israeli unit has been withdrawn. want to see."

But Mr. Hughes said that the approval given by the Israeli cabinet for the three-nation force to land was enough for planning to

#### Italy Seeking Return Of Figure in Scandal

BERN - Italy formally requested Wednesday the extradition from Switzerland of an industrialist and Masonic lodge official, Li-cio Gelli, the Swiss Justice Minis-

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ATOR

note to the Swiss government asking for Mr. Gelli's extradition and stating that he was wanted in Italy on several charges, including fraud and fraudulent bankruptcy.

go ahead for the landing of the troops as early as Friday. Between 800 and 1,000 U.S. maines are expected to take up posi-tions in Bearut, along with French and Italian units. Defense Secre-tary Caspar W. Weinberger insist-ed Tuesday that the marines would not be a police force and would be withdrawn if they faced combat.

Secretary Shultz, appearing on a television program Tuesday, noted that it was impossible to say how long it would take to realize the force's objective, which is "to help the government of Lebanon create

stability and govern in the city of

Beirut. "So I think it is a mistake to set yourself up right now and say, as of some date we're going to leave, because the situation may not be propitions at that moment," he

The marines sent last month to supervise the withdrawal of Palesine Liberation Organization and Syrian forces from West Beirut had been given a 30 day limit by Mr. Reagan, but were withdrawn

after only 16 days.

Mr. Shuhz, asked if he agreed with those who said that the threenation force should have stayed longer and thereby prevented the massacre of the Palestinians, said he did not because the conditions for the troops' deployment had been met "and so we left, and I

think properly so."

Because of known Soviet concern over the introduction of American forces to the area, Am-bassador Anatoly F. Dobrynin of the Seviet Union was called to the State Department, officials said, to receive a briefing from Lawrence S. Eagleburger, the undersecretary of state for political affairs. The ambassador was assured that the troops were being sent at the re-quest of the Lebanese government and would be withdrawn when stability returned to Lebanon.

Effect on Ald The Israeli cabinet's decision gainst a special inquiry into the Beirut massacre apparently has dimined prospects for previously proposed increases in U.S. aid.

With the Jerusalem press report-ing that Israeli cabinet officials and senior military officers knew of the Beirut killings 24 hours beought to be willing to submit this matter to an international investigation and adjudication," asserted Senator Henry M. Jackson, Democrat of Washington. "This goes to the credibility of Israel's ability to deal with the problem in Lebanon and its standing as a member in the family of nations."

For the moment, the mood of

disapproval and disenchantment with the Begin government has not reached the point where congressional leaders favor cutting off aid. But influential members assert that hopes are virtually dead for ry said.

The Italian Embassy handed a had songhi last spring and that the best Israel could hope for new would be to have the 1982 level of \$1.3 billion in military aid and \$785 million in economic aid contime into 1983.



Ariel Sharon, Israel's defense minister, defended government policies in Lebanon during a debate in parliament Wednesday.

# Sharon Admits Israeli Army Aided Beirut Raid Planning

JERUSALEM - Defense Minister Ariel Sharon admitted for the first time Wednesday that the Israeli Army had helped plan and support a Christian militia raid against Palestinian guerrillas in Beirut refugee camps. But he said Israel had never imagined that hundreds would be massacred.

Prime Minister Menachem Begin's government later defeated a call by the opposition for a formal inquiry into the massacre. The motion was defeated by a 48-42 vote, but the government promised to conduct an investigation into the slaughter of hundreds of Palestinian refugees in West Beirut last

As the political uproar over the refugee camp killings beightened, Energy Minister Yitzhak Berman said he had submitted his resigna-tion in protest, as did Menachem Milson, the civilian governor of the occupied West Bank.

Mr. Sharon, speaking during parliamentary debate on the kill-ings, said, "We didn't know exactly what was going on, and to this day we don't know exactly, bewere under strict orders not to go into the camp."

He added that the Christian Phalange militia refused to speak about the killings with Israeli officers. The militia has denied in-volvement in the massacre at the abra and Chatila refugee camps. Mr. Sharon said the Phalangists were allowed into the camps after

they guaranteed that they would not harm civilians, especially old people, women and children." Various estimates of the number of victims ranged from 300 to 1,400 - many of them women and chil-

Legislators repeatedly interrupted Mr. Sharon's speech with angry shouts, and demonstrators waving placards were evicted from the rliament gallery during the bitter dehate.

Shimon Peres, the Labor Party leader, accused the government of issuing a string of "concealed facts, inaccuracies and half-truths" in its earlier accounts of the massa-

Mr. Prime Minister, Mr. Defense Minister, whose stupid idea was it to send the Phalangists into camps?" he asked. He called for ministers responsible to resign. Mr. Berman and another parlia-mentary member of Mr. Begin's coalition, Dror Zeigerman, voted

for an independent inquiry.

Mr. Begin averted defeat on the motion for a formal inquiry by compromising with the National Religious Party and the TAMI faction, two coalition partners threatening to vote against him if no investigation were set up.

Justice Minister Moshe Nissim

outlined the compromise. He told the legislators the government would "in the very near future take the appropriate decision" on what sort of investigation to conduct.

The coalition survived an earlier vote Wednesday on Labor's motion condemning the Israeli entry into West Beirut last week, which the government said was an effort to avert further bloodshed after the assassination of President-elect Bashir Gemayel, leader of the Phalangist militia. The vote on the motion was 47-40.

Reports on Beirut Emba Workers at the Algerian and Ira-nian embassies in West Beirut re-ported Wednesday that Israeli soldiers had entered the embassies.



Yitzhak Berman after he qui<sup>m</sup> Israel's cabinet Wednesday

shot open safes and carted o'Hc files, the AP reported. Another remiident reported seeing Israeli troot te at the Libyan Embassy. Iow A man at the Algerian Embass

(Continued on Page 2, Col. 6)

# Israel Giving Arms Seized in Beirut To Forces Implicated in Massacre

By Loren Jenkins Washington Post Service

BEIRUT — Heavy weapons captured by the Israeli Army in its invasion of West Beirut are being turned over to Christian militia forces whose units have been implicated in the massacre of Palestinian civilians in the capital's Chatila refugee camp. Lieutenant Colonel Yaacov

Perez, the deputy spokesman for the Israeli Army in Beirut, said Wednesday that many of the weapons its forces had seized there were being turned over to the Lebanese Forces, an organization of rightist Christian militias. Israeli officials have admitted that members of that group participated in the massacre last week.

The spokesman said that the weapons being turned over were part of a "gigantic" supply of weapons and munitions that the Israelis had picked up from 130 arms caches around Beirut since its occupation of the city last week. Some of the arms, he said, belonged to the now-evacuated Palestine Liberation Organization, and some to leftist Lebanese Moslem militias who tried to resist the Israeli advance into West Beirut.

Colonel Perez said that the army was transporting about half of the captured weapons south to Israel, even though the provisions of the evacuation accords negotiated last month by Philip C. Habib, the special U.S. cavoy, dictated that all PLO heavy arms were to be turned over the Lebanese Army.

The colonel said that of the weapons the Israeli Army was not Lebanese Forces.

"The fact is we have found so many munitions, so many weapons that we cannot carry them all back to Israel," Colonel Perez said. "We have even found tanks and we have turned them over the Lebanese Forces and they are happy with them. They say they are going to use them.'

The Israeli spokesman also added new details about the Israeli involvement with the militia groups that entered the Chatila camp last week, when the nearby Sabra camp was also invaded.

The Christian forces "were only supposed to look through the camp and kill PLO terrorists," he said. "We didn't expect them to kill children."

Colonel Perez said that after the Christian militiamen had been south of the entrance to the Chatila camp, the Lebanese Forces "chief officer," whom he did not name, had given his men the order "not to touch women and children" within hearing distance of Israeli Army officers.

"But when they went in, they did just that," the Israeli military spokesman said, "We didn't have any control over them. We didn't know it was going to be a massa-The International Red Cross re-

ported that as of Wednesday afternoon, 293 bodies had been recovered from the alleys and bulldozed homes of the camp where once 10,000 refugees lived.

Of the bodies recovered so far, the Red Cross said, 33 were womgoing to take to Israel, part would en and children. A still unknown go to the Lebanese Army while number of bodies are lying under

many more were being given to the flattened homes and in at least one mass grave on the periphery of the

> ■ Israel Yielding Beirut Positions The Lebanese Army took con-trol of some parts of Beirut from Israeli forces Wednesday as residents awaited the return of a peacekeeping force of French, Italian and U.S. troops, Reuters re-

Lebanese regular soldiers appeared at the Murr Tower, an unfinished 30-story block in the city center that the Israelis took over from Lebanese police when they invaded West Beirut last week. The government troops also set up roadblocks closing off the devastated commercial center and

the road through the city's port. Local radio stations reported an agreement had been reached under which the Israelis would gradually id over their positions in the predominantly Moslem western sector of the city.

The government radio reported that Mr. Habib returned to the Lebanese capital Wednesday, and sources told The Associated Press that the U.S. envoy would oversee deployment of the reconstituted 3,000-man multinational force.

The first detachment of 300 paratroopers who are part of the force's French contingent arrived in Larnaca, Cyprus, on Wednes-day. They were to arrive in Beirut on Thursday.

Also Thursday, Amin Gemayel, Lebanon's new president, is to be sworn in for a six-year term, taking over from President Elias Sarkis Mr. Gemayel is the brother of Bashir Gemayel, the previous president-elect who was assassinated

CHINESE GREETING -- Prime Minister Margaret Thatcher of Britain was welcomed by Prime Minister Zhao Ziyang, center, and children on arrival Wednesday in Beijing. Page 5.

## **British Strikers Back Hospital Pay Demands**

By R.W. Apple Jr.
New York Times Service

LONDON - Millions of British trade unionists staged strikes and rallies Wednesday in support of workers in the National Health Service who are seeking better

Some union leaders said it was the biggest demonstration of labor solidarity since the General Strike

#### INSIDE

through seems near, U.S. am-bassadors to three different arms control negotiations with the Soviet Union indicated to reporters after meeting President Reagan before returning to the bargaining table. Page 3.

Anid signs of mounting disarray among West Germany's Free Democrats, an opinion poll showed that their support had dwindled to only 2.3 percent of the electorate since they decided to quit Schmidt's

government. Page 5. A special supplement on looks at how the worldwide industry has moved into the competitive arena of practical applications. Page 7S.

#### To Our Readers

Because of a strike in Britain, the Herald Tribune was unable to print its Wednesday editions in London. As a result, there was no distribution in Britain, Ireland, Malta, Oman and Qatar. We regret any inconvenience this may have caused. Regular distribution resumes with this issue.

But the impact was uneven. In most parts of the country the public was little inconvenienced, and the social services minister, Norman Fowler, said the much-herald-ed "Day of Action" would "certainly not change the attitude of the government. Other employees of local and

national government gave strong support to their colleagues in the health service. Schools in Derbyshire were closed all day, ambu-lance drivers in several cities refused even to answer emergency calls, and bus service was disrupted for several hours or for the entire day in some areas. Many government offices were heavily pick-

The militant leader of the mine workers, Arthur Scargill, who advocates extra-parliamentary action to bring down the government of Prime Minister Margaret Thatcher, succeeded in stopping work at all but 40 of Britain's 197 coal

In Glasgow, a traditional union stronghold, a wide range of ser-vices were closed, including the airport. Dockers in Southampton and in Liverpool refused to work.
None of the British national newspapers appeared Wednesday morning. But almost all television

programs were broadcast as sched-uled, the trains and subways ran on time and most factories worked a normal day. An exception was the big Ford plant at Halewood in northwest

England, where 9,000 production workers laid down their tools. "It is the public sector that has felt the effect of this sorry business," said Sir Terence Beckett, director-general of the Confederation of British Industries. "For a very large proportion of the pri-



Marchers in London, on what was declared the Day of Action, showed support Wednesday for health workers' pay demands.

the trade-union leaders in their hearts really believe that they have changed very much by their token stoppages today."

In London, more than 100,000 protesters marched from a marshaling area on the South Bank of the Thames to Hyde Park in brilliant autumnal sunshine, carrying banners proclaiming their support of nurses and other health workers. In the park, they heard speeches from trade union leaders and

from Michael Foot, the leader of the Labor Party. Since April, the government has been deadlocked in pay negotia-

sprawling health service, the staterun organization on which most Britons depend for medical care. More than 600,000 workers, ineluding nurses, cooks, maintenance staff and clerks, are asking for an increase of 12 percent, which works out to slightly more

their last contract. The government has offered 6 percent to some, 7.5 percent to others. Unlike many other workers involved in pay disputes, the health service employees have managed to win a measure of pub-

than the rate of inflation since

# U.S. Agrees to Ship Computer System to China

nology."

By Philip J. Hilts

Washington Post Service WASHINGTON — The Reagan administration has reversed its polanimustration has reversed its pol-icy and approved the shipment to China of a sophisticated computer system used in the United States for highly accurate simulation of missile flight for the military and

Sources say the Soviet Union will send a high-level diplomatic mis-sion to China next month. Page 5.

the National Aeronautics and Space Administration. The decision is controversial because the United States has halted computer shipments to the Soviet Union, even down to the level of a

computer that plays chess. Senator Jake Gam, a Utah Republican, believes that exports to both China and the Soviet Union

ous sponsors of legislation to stop what Admiral Bobby R. Inman, a former deputy director of the Cen-tral Intelligence Agency, called "a hemorrhage of the country's tech-

The Commerce Department refused to comment on its approval of the shipment, except to say that trade with China had been greatly broadened over the last few years. However, there is still a prohibition on sending to China "equipment and technology that could make a significant contribu-tion to the design, development or manufacture of new weapons or delivery systems."

John Celmer, an official in NASA's guidance and control branch, said his agency used the same type and brand of computer being exported to "do design anal-

ysis and simulation of spacecraft control systems."

The computer involved is called hybrid because it combines two kinds of systems. Hybrid comput-ers are used in the United States mostly in simulations for problems in dynamic vehicles, for space and defense," Mr. Celmer said. But he added that it is possible that the hybrid could be used for other kinds of simulation, such as process control in complex chemi-

cal plants. The first part of the \$5-million computer system has already been shipped to China. It is manufac tured by Electronics Associates of West Long Branch, New Jersey. The company has tried in previous years to get approval to sell the hybrid computer to China, but was turned down until the Reagan ad-ministration liberalized trade, ac-

cording to a company spokesman.

China is accorded a status abov all other communist countries i trade with the United States. Bu the Chinese, to get the equipmen must say that it will be used for nonmilitary purposes. In this case? the machinery is being shipped to Harbin Institute of Technology where the hybrid computer will b used in the institute's computer re

Electronics Associates says the system will be used for simulatio steel production, chemical pro cessing and turbine dynamics.

search department.

In addition to Mr. Garn, Sens tors Paul Laxalt of Nevada and Mack Mattingly of Georgia, bot Republicans, have also introduce bills to stop such technology sale: In the House of Representative measures have been introduced b Representative Robin L. Beard J.

# Signs of Slave Labor on Pipeline Said to Grow

By Hobart Rowen

WASHINGTON — Defense Secretary Caspar W. Weinberger says that "in recent weeks the evidence has been mounting that the Soviet Union may be using slave labor" to build its natural gas pipe-line from Siberia to Western Eu-

In an address to a conference sponsored by the Center for Strategic International Studies at Georgetown University, Mr. Wein-berger said Tuesday that this 'human rights" issue was perhaps 'a compelling" reason for administration opposition to the pipeline. Mr. Weinberger defended the administration sanctions against

pipeline. In answers to questions

from the audience, Mr. Wein-

berger indicated there was little

Administration sources said later that Mr. Weinberger was not trying to send "a signal of intransi-

Many Sources Mr. Weinberger said the evidence on the use of slave labor came from many sources, including an "important human rights organization" in West Germany and a "number of Vietnamese groups concerned that their politi-

cal dissidents may have been ex-

"The evidence is not conclusive," he said. "I hasten to say that. But the available evidence is profoundly troubling and some have found it very persuasive. shipment of equipment for the

He said the French and West German governments had promised to investigate the reports and that the United States was

in a broader attack on the West's willingness to contribute to Soviet economic strength, Mr. Weinberger said the Soviet Union has been able to exploit "the open nature of Western society" and has managed "to play off" Western companies against each other.

Gas 'Energizes' Russia "The pipeline," Mr. Weinberger said, "does add to the dependence of Western Europe, in an undesirable way, on the Soviet Union."

ported to Siberia to help build the More than that, Mr. Weinberger said, the pipeline "energizes the entire Soviet industrial system" by bringing urgently needed gas to Western Russia "long before it gets to Western Europe.

> ■ Tass Issues Denial Tass denounced Mr. Weinberger's comments Wednesday and reneated an earlier Soviet

involved in the pipeline project Reuters reported from Moscow. It said Mr. Weinberger's com-ments were irresponsible and add ed that, "If he needs a lie to ac vance certain political aims, h n does not hesitate to use it." ■ Talks Reportedly Sought

British officials said Wednesda, In that Britain wants the Unite of States and four European allies they meet in New York next week t

Reuters reported from London. S Foreign Secretary Francis Pyr Of Britain and senior ministers o Italy, France, West Germany and the Netherlands will be in New Ck York then for a meeting of th United Nations General Assert bly. Another opportunity woul-

come, however, the next wee w when North Atlantic Treaty Or

By Henry Tanner New York Times Service DAMASCUS - Amin Gemayel, e new Lebanese president-elect, viewed here as more flexible and ore moderate than his brother it at the same time more cautious id perhaps a weaker man.

Syrian officials had taken his ection for granted almost from te moment of Bashir Gemavel's lling. They expect early consultaons with him on relations beveen the two countries, and parcularly on the circumstances uner which Israeli and Syrian troops ill eventually be withdrawn.

Syrian sources said that Amin semayel came to the presidency sindebted to Israel than his rother, and they believe that he is ot likely to favor an peace treaty ith Israel soon.

The assassination of his brother nd the massacre in the Palestinian sfugee camps make it unlikely, it thought in Damascus, that rime Minister Menachem Begin vill summon him to a meeting in

#### South Korea Said To Cancel Order For Shock Prods

Washington Post Service WASHINGTON — The South Corean government has canceled n order for 500 shock batons that ad caused a dispute between the tate and Commerce departments wer the foreign policy implicaions of trade issues, administraion sources confirmed Wednes-

Despite the cancellation of the louth Korean order, a review of apport-approval procedures is unler way and has been given imetus by revelations that the Comnerce Department approved the ale of 2,500 of the batons to louth Africa in April.

The batons are about the same ize as a policeman's nightstick nd give a non-lethal but highly ainful shock when a person is ouched. Human rights advocates ay the prods are often used for orture or are used indiscriminatey to control crowds. Supporters of he sales argue that it is better to provide a non-lethal item that can re used instead of guns.

The Commerce Department had upproved the South Korean order over the objections of the State Department, which cited continung questionable human rights ractices by the South Korean overnment. Final authority for approving export licenses rests with the Commerce Department.

northern Israel as he did his

Western diplomats say that Mr. Gernayel, being more in the traditional mold than his brother, is likely to try to maintain good relations with moderate Arab governments, particularly Saudi Arabia, whose financial aid in the reconstruction of Lebanon will be need-

Mr. Gemayel, it is noted in Damascus, is starting out with a greater reservoir of good will among Lebanese Moslems and other Maronite Christian groups. His brother, as the military leader of the Phalangist militia, had opened a guif of hatred between himself and the Moslems and also between himself and such Maronite leaders as Suleiman Franjich and Camille Chamoun, both former presidents.

Amin Gemayel was elected with the support of most of the established Moslem leaders who had boycotted his brother's election. Unlike his brother, he had re-mained in contact with these leaders in recent years.

But his brother, once elected, exuded authority and personal leadership, and it seems now that Lebanon would have been willing to rally around him as a strong lead-

Diplomats in Damascus say that Bashir Gemayel could be ruthless both as a politician and as a military man. Amin Gemayel, it is felt, is an unknown quantity, and it is impossible to predict how he will act under pressure from Israel, from Syria or from the various Lebanese communities and clans.

It is thought doubtful, for instance, that he will have the personal authority necessary to dismantle Lebanon's dozen or so private armies, including his own Phalangists. His brother, who wanted to move quickly, had an-nounced that he would insist on dissolving the militias.

The expectation among Western diplomats is that Mr. Gemayel will turn to Western countries - especially France, but also the United States and perhaps Italy — for military assistance and advisers to help in rebuilding the Lebanese Army and for political support against Israel and Syria.

#### U.S. Soldier Killed by Tank United Press International

WERTHEIM, West Germany -An American soldier on NATO maneuvers was killed Wednesday when he was hit by a swinging tank gun, the U.S. Army said. His death brought to at least 20 the number of soldiers killed in NATO maneuvers in Europe this fall.

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Toufik Zayad, right, the Arab mayor of Nazareth and a Com- speech on Wednesday by Ariel Sharon, the defense minister, munist member of the Israeli parliament, reacted angrily to a opposing an investigation of the massacre in West Beirut.

## Refugees Afraid 'We Will Be Next' Parliament Chatila's Neighbor Camp Pleads for Army Protection

By Loren Jenkins Washington Post Service

BEIRUT - When the 17-yearold Palestinian schoolgirl appeared in an alleyway in West Beirur's Borge Barajni refugee camp, the first thing that struck the visitor was her prettiness: a soft, radiant face with large, limpid black eyes. But when she began to speak, it was the terror, not the beauty, that

riveted the attention. "We live in fear here," said the girl, who will be called Fatma to protect her identity. Her eyes watery with suppressed tears, she said: "Everyone is nervous and afraid. There is a great, great fear that after Chatila, we will be next." Chatila is the Palestinian refu-

gee camp to the northwest of Borge Barajni. Christian militiamen massacred hundreds of Palestinians last week at Chatila, within a few hundred yards of the Israeli occupation army's command cen-

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your family and friends about it. Check out the money-saving tips below, then give them a call. It's

Not even President Ronald Reagan's announcement Monday that a new multinational peacekeeping force will be sent to Beirut has done much to still the terror of the people of Borge Barajni. They are terrified that before the force can be deployed later this week the militiamen who killed their friends and neighbors in Chatila and in Organization. Sabra refugees camp may try to do the same here.

#### Camp Is Unprotected

There are good reasons for their fears. The Borge Barajni camp, on the southern fringes of Moslem West Beirut, has been disarmed, and it remains unprotected either by the Lebanese Army or by the Israelis, who already are winding down their occupation and beginning to withdraw from the city they invaded last week.

The Lebanese Army is supposed to be protecting Borge Barajni, which bore the brunt of Israeli ar-

tillery, gunboat and aerial born-

But the Lebanese Army, weak,

The Israeli occupation of West Beirut sent the camp into a frenzy of apprehension. "We have gone to the army, maybe 100 times, to ask them to come in here and defend said a Palestinian woman. 'All they did was ignore us."

On Saturday, when word had al-ready swept through the camp

"They said everyone would turn over their weapons," Fatma re-called. "Everything would be all right and they would protect us from the Israelis and Haddad's ' a reference to Major Saad Haddad, a former Lebanese Army officer and leader of a rightist

inians of Borge Barajni, a camp of 10,451 registered refugees of families who fled Palestine in 1948 when the state of Israel was created, have the look of a hunted peo-

could come to them.

What do people do when they ome back from Chatila? Fatma's father was asked. "They just come back and cry," said the father of 10, who has lived in Borge Barajni since fleeing his village near Acre

At night, so great are the terrors that most people leave their homes and sleep away from the camp in neighboring residential districts. using garages, fields and cars as

asked. We are not wanted. We are treated as if we are not people. Who says hello to us? Nobody." She says when they are frightened they cannot seek refuge in the beart of town because "we are

want to go away from here, but where can we go? I don't understand why we are persecuted like this. Israel says the Nazis killed them. Now they are killing us like

# **Hears Sharon**

who would not give his name, showed reporters the ambassador's desk and said it had been pried open by Israelis on Sunday. At the Iranian Embassy, workers pointed out safes blown open with guns.

Both embassy buildings, as well as the nearby Libyan and Kuwaiti embassies, were heavily damaged by Israeli shelling of West Beirut during the Israeli siege. There ap-parently were no diplomatic persomel in any of the buildings after the Israelis drove into West Beirut

ernments have had close relations with the Palestine Liberation Organization. The Iranians also have provided volunteers to fight beside Syrian troops in Lebanon in their confrontation with the Israelis.

Arab protests over the Beirm assacre flared in northern Israel Wednesday, the AP reported, and officials said at least 39 Israeli Arabs and 20 police officers were injured in clashes between demon-

In Nazareth, the major Arab center in Israel's northern Galilee region, a spokesman for Holy Family Hospital said 13 Arabs, ranging in age from 13 to 41, were treated for a variety of injuries, 11

One patient, a 14-year-old boy shot in the abdomen, was transferred to Afula Hospital and was

in serious condition, he said. A spokesman at Nazareth Hospital said 26 Arabs, the youngest 10 years old, were treated there, and an unspecified number had

#### Ghana's Borders Ordered Closed

Remers
LONDON — Ghana temporari-

ly closed its land borders to all travel Tuesday night to facilitate measures against black marketeering and other economically harm-ful activities. Accra radio said. It did not say how long the ban The ban on entering and leaving

Ghana by land did not apply to sea and air journeys to and from the West African state, the radio said in a broadcast monitored

The measures were designed to check a drain on the national economy from smuggling and currency trafficking as well as black marketeering, according to an official government statement that the radio quoted.

#### Blind Halt Italian Trains

PORTICI, Italy — Three hundred blind pensioners halted rail traffic between Naples and Sicily for two hours Wednesday by lying down on the track to protest the nonpayment of their state pensions, police said.

#### Chileau Doctor Denies He Identified Activists

Las Angeles Tones Service
TORONTO — In an article by Stanley Meisler of the Los Angeles Times about a torture research center in Canada, a Chilean physician who now lives in Canada, Dr. José Venturelli, was reported to have "given [his] torturers, as they demanded, the names of peasants who were active politically."

This statement appears to have been based on a misunderstanding. Dr. Venturelli, who was interviewed for the story, now says he did identify one peasant on a list given him by his torturers, but only as a former patient, not as a political activist. (The story appeared Wednesday in the Inter-

# WORLD BRIEFS

## Iraq Reports Bombing Iran Targets

LONDON — Iraq said its air force bombed Iranian military targets Wednesday and also flew spy missions over Tehran while Iran's military was conducting a parade in the capital's streets to celebrate the second

anniversary of the beginning of the war. Iraq's official news agency said Iraqi jets bombed Iranian military targets and troop concentrations in five Iranian towns near the southwestern border. Iran had no immediate word of the air attacks. But Iran's Islamic Republic News Agency said an Iraqi MiG-25 had been chased away by Iranian jets while "seeking to bomb residential areas in

the capital." The air raids and flights were a warning to the Iranian rulers that "Iraq is ready to deal a deadly blow to the enemy if they dare attack Iraq," a military communique said. The warning appeared to be in response to reports that Ayatollah Ruhollah Khomeni plans to order a fresh invasion of Iraq sometime this month.

#### Russia Denies Role in Pope Shooting

MOSCOW - Tass denied Wednesday that there was Soviet involvement in the May 1981 assassination attempt on Pope John Paul II, saying the report was like a "cheap detective story" invented by U.S.

They in Washington hoped to throw a stone at the Soviet Union, but they threw a boomerang," Tass said. The statement was made after the NBC television network broadcast a report that the Kremin may have backed the assassination attempt because the pope supported the Solidarity trade union in Poland.

A Tass commentator, Yuri Kornilov, said "specialists in fabricating foul anti-Soviet sensations" apparently seized on the assessmation attempt even though a Turkish rightist was convicted of shooting the pope. He said claims that Soviet agents, their Bulgarian assistants, revolvers and false passports all had a part in the plot were "absurd inventions."

### Gandhi Urges Afghanistan Pullout

MOSCOW - Prime Minister Indira Gandhi of India said Wednesday that she has told Soviet leaders they should pull their troops out of Afghanistan "because we are against any type of interference."

But she said the issue was complicated by the flow of weapons from

outside the country to the rebels who are fighting the Kabul regime.

There are two sides to the question or two sides to the problem, she said at a news conference after two days of meetings in the Kremlin with Soviet leaders, including President Leonid L Brezhnev.

### Suzuki Asks Government Pay Freeze

TOKYO — Prime Minister Zenko Suzuki appealed to government employees Wednesday to accept a pay freeze to help cut the deficit in the national budget. He also renewed his pledge to balance the budget by the

1984 fiscal year without raising taxes.

The government has already decided to eliminate a proposed pay rise of just under 5 percent for government workers this year. The decision led to a brief strike by transport workers, who halted bus and subway operations in seven cities Tuesday.

Mr. Suzuki also told the Chamber of Commerce and Industry that the

cabinet would consider increased spending on public works and invest-ment tax credits for small and medium businesses to help stimulate the

#### Princess Grace Buried in Monaco

MONTE CARLO - Princess Grace has been buried in the Cathedral of Monaco in a private ceremony attended by her husband, Prince Rainer, two of her children and members of the former actress' family. The interment of Princess Grace's body, which had been lying in state in the cathedral since funeral services Saturday, took place Tuesday in the underground crypt of the cathedral, where other members of Monaco's royal Grimaidi family also are buried.

The burial originally was expected to be Saturday after the funeral services. But at Prince Ramier's request, the crypt was modified so that after his death his body will lie next to that of his wife of 26 years.

#### Honduras Guerrillas Reduce Demands

SAN PEDRO SULA, Honduras - Leftist guerrillas are holding two Cabinet ministers and 79 businessmen after releasing one of their hostages Wednesday and reducing their demands for ending the five-day siege, officials said.

Amilcar Santamaria, a spokesman for President Roberto Suazo-Cordova, said the eight heavily armed members of the Cinchonero Popular Liberation Movement had dropped their demands that the country's anti-terrorism law be repealed and that U.S. military advisers be ordered out of Honduras.

ficials identified the hostage released Wednesday as Danilo Valencia, a former Red Cross volunteer. They said Mr. Valencia was apparently freed because of his connection to the relief agency, which has been delivering food to the Chamber of Commerce building since the start of

#### Magazine Says Egypt Has Jailed 180

CAIRO - The authorities have arrested 180 Moslem militants in a new crackdown on remnants of an underground extremist organization held responsible for the assassination of President Anwar Sadat, a weekly magazine said Wednesday.

Government sources had earlier put the number of detainees at 58, but they had indicated that arrests were continuing. An official announcement last week said the newly arrested group plotted attacks on several Cairo jails to free imprisoned colleagues as a prelude to assassinations and acts of sabotage aimed at overthrowing the regime of President Hosni Muberak.

An article in the weekly Al Mussawar, known for close connections with the government, said the Jihad organization had received financial assistance from the Jordan-based Islamic Tahrir, or Liberation Party, a group with extremist views and terrorist methods

#### Dutch Plan to Stop Ocean Dumping

THE HAGUE — The Dutch government plans to halt ocean dumping of radioactive waste this year, the Ministry of Public Health and Enviconnent said Wednesday.

Ineke Lambers, deputy minister, has decided to make September's ocean dumping in the East Atlantic the last and develop a land disposal site instead, according to a spokesman. Wijize de Back. "The solution will be to store on land; the problem is to find a place," said Mr. De Back He added that municipal approval would be necessary.

Protests against the dumping intensified this summer when

Greenpeace, an international environmental organization, carried out sea maneuvers to interrupt Dutch ocean-dumping operations Compiled From Agency Dispatches

## Arab Group Disagrees On Response to Killings day and early Wednesday at the

TUNIS - Arab foreign ministers meeting in an emergency session failed to agree Wednesday on concrete steps to take in response to the massacre of Palestinian refugees in Beirut The ministers did decide, how-

ever, on a collective protest by Arab ambassadors to Washington and a warning that U.S. persistence in "supporting Israel's war machine" could only undermine the credibility of its policy.

Both Libya and Syna rejected

the final resolution, issued Wednesday afternoon.

Apart from condenning the United States, the resolution said the ministers decided to give emer-gency aid to the Palestine Liberation Organization, supported Lebanon's call for a return of mul-tinational forces to the Lebanese capital and announced that Sept. 7, the day when the massacre was reported to have begun, would be a day of mourning in the Arab

The ministers also decided to work for the exclusion of Israel from the United Nations.

The representatives, who met in the special session overnight Tues-

request of the PLO, said the massacre was only possible because of U.S. "material moral military and political support for Israel." PLO demands for economic anctions, including cutting down

Arab oil output, were dismis such-moderate nations as Sudan and Jordan. They said Arab nations should leave the door open to dialogue with the United States because it had signalled a more balanced Middle East policy, conference sources said. An Iraqi proposal to temporari-y recall Arab ambassadors from

tions, but Foreign Minister Abd al-Halim Khaddam of Syria insisted that Arab nations sever relations with-Washington, the sources His position was supported by the Libyan external haison secretary. Abdel-Ati Obeidi: who said he would walk out if the ministers

Washington appeared at one point to win favor from most delega-

did not decide to end relations with the United States Conference sources said a number of delegations displayed obvi-

ous disappointment at what they regarded as lack of concrete reaction to the massacre





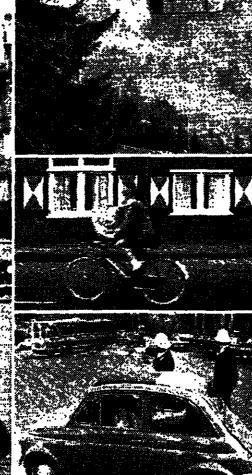
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#### bardment during the 10-week siege of West Beirut. The army was supposed to provide for the camp's se-curity and that of all West Beirut under the terms of the agreement negotiated by Philip C. Habib, U.S. envoy to the Middle East, which led to the evacuation of the fighters of the Palestine Liberation

demoralized and insecure, has balked at the assignment. It entered the camp two weeks ago to search for guns and ammunition left behind by the PLO, but left almost as quickly as it had come, leaving behind only roadblocks north and south of the camp, manned by half a dozen soldiers.

about the massacre at Chatila, the army did appear in the camp to ask all its residents to take any weapons they might still have to a nearby mosque for collection so the Israelis and the Christian militias would have no excuse to invade the camp.

Christian militia.

According to dozens of Palestinians, hundreds of guns were turned over to the Lebanese Army. We are not from the PLO, but we have always had weapons to defend ourselves," said an 18-yearold youth. "But we wanted army protection, so we took the guns we had always kept to defend our families to the mosque, and the army took them away.

After disarming the residents, the Lebanese Army left the camp as it was before, defended by the soldiers at the roadblocks and three-man patrols through the streets once or twice a day.

"We begged them to protect us," Fatma said. "They said they couldn't fight Saad Haddad, they vere not strong enough."

Disarmed and alone, the Pales-

Reports From Chatile Many have gone to Chatila, where several hundred bodies have been recovered, and returned to their camp to add to the terror with their reports of the carnage. Some have come back with exaggerated tales, others with more accurate ones. All know that an unspeakable horror has come to those near them and fear that it

when Israel was born.

iding places.
"Why do we live here?" Fatma

Her father asked quietly, "We

# (Continued from Page 1)

The Algerian and Iranian gov-

■ Protests in Northern Israel strators and police.

gunshot wounds.

In the Israeli-occupied West Bank, Arabs closed shops and schools, and an AP photographer reported stone-throwing incidents in the major city of Nablus, where Palestinian youths have clashed with Israeli troops for three days.

With Reagan Signature

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WASHINGTON - The House quickly gave final approval Wednesday to legislation ordering locomotive engineers to end a strike that officials say is costing the country up to \$1 billion a day.

After the 383-17 approval in the House, the joint resolution was to go to President Ronald Reagan for his signature. Larry M. Speakes, the deputy White House press secretary, said he hoped the legisla-tion would reach the president by the end of the day, but he said he doubted that would be possible. The Senate approved the resolution by voice vote Tuesday night: The legislation will become law immediately after it is signed, but it was not known how soon the trains would be rolling again. Un-

Fourth Day the Brotherhood of Locomotive Engineers was in its fourth day Wednesday. The walkout has idled 10,000 other railroad workers, and Transportation Secretary Drew L.

ion officials said they would order their members to obey the law.

Lewis told Congress on Tuesday that up to 500,000 others in raillent industries could be laid off within two weeks. The walkout, which began at 12:01 A.M. Sunday at the expiration of a 60-day cooling-off period, involves a union demand that the

engineers be guaranteed higher wages than other members of a Mr. Lewis, in congressional hearings, hit hard on the strike's impact on the economy. He cited estimates that the shutdown, affecting nearly all of the nation's freight railroads as well as some commuter and Amtrak service, was costing the economy as much

as \$1 billion a day.

The bill's approval by the Senate on Thesday night was urged by leaders of both parties, including Senator Orrin G. Hatch, Republican of Utah, and Senator Edward M. Kennedy, Democrat of Massa-

The measure was approved on a voice vote by the House Energy and Commerce Committee with little dissent before going to the full House for the vote.



President Ronald Reagan met Tuesday with three U.S. arms negotiators — from left, Paul Nitze of the negotiations on intermediate-range nuclear forces, Edward L. Rowny of the Strategic Arms Reduction Talks, and Richard Starr of the Mutual and Balanced Force Reduction Talks.

# The strike by 26,000 members of Reagan and Arms Negotiators Meet; Arms Budget No Sign of Breakthrough Is Given

By Michael Getler

Washington Post Service
WASHINGTON — U.S. representatives in three sets of armscontrol negotiations with the Soviet Union met Tuesday with Presi-dent Ronald Reagan before head-ing back to the bargaining table. But they gave reporters no indication that a breakthrough was near in any of the talks.

Edward L. Rowny, who heads the U.S. delegation to the Strategic Arms Reduction Talks, said, however, that Mr. Reagan seemed encouraged that Moscow was moving "rather briskly" in those discussions on limiting intercontinentalrange missiles and bombers.

Mr. Roway said the pace of those START talks, which began in Geneva in June, was "much more rapid" than the tempo of discussions in the early 1970s that led to the first strategic arms limitation treaty, which has expired.

Although Mr. Rowny declined to discuss details of the Soviet position, reliable sources say that Moscow has proposed a ceiling of 1,800 missiles and bombers in each

nation's arsenal. That would represent a reduction of about 25 percent in Moscow's existing array of weapons and a cut of about 10 percent in the U.S. forces. Short of U.S. Plan

While these reductions would fall far short of the 850-missile criling proposed by Mr. Reagan, the Soviet plan involves more significant cuts than Moscow has considered in the past. It has therefore attracted the interest of a few U.S. officials as a step in the right direction. The Soviet Union has also refrained from totally rejecting the U.S. plan.

The Soviet proposal, however, is certain to be rejected as it stands, sources in Washington say, because it does not go far enough and has several important draw-

One is that it ties reductions in intercontinental-range missiles to a requirement that the United States not deploy new intermediate-range cruise and Pershing-2 missiles in

Another is that the Russians have proposed limiting only the

number of launchers - the silos where missiles are based - rather than the number of missiles. This means that many extra missiles could be built and stored elsewhere and that it would be difficult to limit the number of warheads on each missile.

Mr. Rowny said the United States has not yet introduced a series of so-called "confidence-building measures" at the talks. Those measures, which are designed to reduce the risk of atomic war, were announced by Mr. Reagan in West Berlin in June. Mr. Rowny said he was hoping to get further instruc-tions on the introduction of those proposals within the next several

The START discussions are to resume in Geneva on Oct. 6. The two superpowers are also to resume talks in Geneva on Sept. 30 on limiting intermediate-range nuclear forces, which involve missiles and aircraft based in Europe. The 8-year-old Mutual and Balanced force Reduction Talks between NATO and the Warsaw Pact are to begin a new round on Thursday in

Also attending the meeting with the president were Paul Nitze, the negotiator at the talks on intermediate-range nuclear weapons, and Richard Starr, the chief delegate to the force-reduction negotiations. In a statement accompanying the meeting, Mr. Reagan said, "We are encouraged by the serious and businesslike conduct of these negotiations thus far."

#### **NATO Committee** Is Divided Over Military Chairman

BRUSSELS — The military committee of the North Atlantic Treaty Organization, the alliance's highest authority on defense, is split over who should be its next chairman, NATO sources said

Wednesday.
The West German Defense Ministry nominated General Jurgen Brandt after members of the committee had already agreed to ask General Cor de Jager of the Netherlands to succeed Admiral Robert Falls of Canada at the end of his two-year stint, the sources

The Bonn government has since applied pressure in favor of General Brandt, said to be a protegé of Chancellor Helmut Schmidt, to the annoyance of senior NATO officers who view the matter as damaging to the committee's prestige, they said.

The United States, Britain, Spain and perhaps Italy are said to be supporting General Brandt, but he is unlikely to get the required majority when the committee votes later this week, the sources said. Admiral James Eberle of Britain, a former commander in chief for the Channel area, is a possible com-promise candidate.

The military committee is made up of representatives of the NATO countries' chiefs of staff. Its chairman is NATO's most senior officer, who is an adviser on defense matters at ministerial meetings.

#### Soviet Sailors Seek Asylum

United Press Intersation ANKARA — Two Soviet sailors who jumped from their ship as it sailed through the Bosphorus Strait have requested asylum in Turkey, the newspaper Günaydin reported Wednesday. The paper said the sailors jumped into the water Tuesday and were picked up by

## Florida Hears 'Bullet Train' Plans

#### 5 Nations Vie for Miami-Orlando-Tampa Rail Project

By Barry Bearak

Los Angeles Times Service TAMPA, Florida - Representasales presentations for their own version of a high-speed "bullet train," each trying for the inside track to a possible multibillion-dellar Florida project similar to one planned in California between Los Angeles and San Diego.

The Florida route would most.

likely link Miami, Orlando and Tampa. A special committee appointed by the governor is looking for a system that could make the 250-mile (400-kilometer) trip from Miami to Disney World, the amusement park near Orlando, in

Japanese May Have Edge Businessmen from Japan,

France, Britain, West Germany and Canada made presentations Tuesday. Their ideas ranged from a Canadian plan for a slower train pulled by a conventional diesel engine to a German train that slides on air four inches above its track. "Everybody starts even, and no-

body has an advantage," said John Parke Wright, the Tampa million-aire who heads the neview commit-

Still, it appears that the Japanese have an edge. They have close ing a grant from a Japanese foun-

The Japanese conducted a similar study concerning the Los Angeles-to-San Diego route, and Gover-nor Edmund G. Brown Jr.'s ad-ministration and the California Legislature concluded that the Japanese had the only technology worthy of consideration.

Last month, the Legislature passed a bill to press ahead with development of the bullet train project by private industry.

That bill, passed without the

usual committee hearings, exempted the project from environmental review. It also authorized issuance of \$1.25 billion in tax-exempt state revenue bonds for the \$2-billion train. Japanese investors are expected to put up \$500 million, with the remainder coming from inves-tors who buy securities of the American High Speed Rail Corp.

Florida, although more deliberative in hearing proposals, may be following the same course. Alan S. Boyd, chairman of the

American High Speed Rail Corp., Florida railroad market.

connections to the American High endorsed the Japanese technology, Speed Rail Corp., an American saying the Shinkansen bullet trains booster of the bullet train. Also, a had shown themselves safe at tives of five nations have made subsidiary of the Japanese National speeds as fast as 160 mph since al Railway is conducting a \$1 million feasibility study in Florida 1564.

> tional Railroads, however, said that its bullet train between Paris and Lyon was as reliable as the Shinkansen and that the French train held the world's rail speed record, 236 mph. A spokesman for the German

high-speed system said that 236 would be merely cruising speed for the new magnetic-levita-tion trains that move on air without rolling contact with the rail.

Prototypes in Operation He said the German system

costs no more than a bullet train, offered the committee the pect of a Tampa-Orlando run of 19 minutes, Orlando to Miami in 54. He conceded, however, that the system is now operational only in prototypes. Representatives of Canada and

England urged consideration of slower, less-expensive trains that might better fit the market.

Marshall Beck, representing
Bombardier Inc. of Canada, an-

nounced that his company would undertake its own study of the

## Senate Report Finds FBI Inquiry Into Vesco and Libya a 'Disgrace'

By Robert Pear

New York Times Service
WASHINGTON — The Senate
Indiciary Committee has issued a report charging that the Justice Department's undercover investigation of Robert L. Vesco and his links, to Libya was "a shame and a

The 56-page staff report, re-leased Tuesday, concluded that the federal Burean of Investigation had "created a conspiracy" and scemingly lost sight of its mandate to uncover crime, not create

The report said that "a special prosecutor should have been appointed" to investigate allegations that Mr. Vesco, a wealthy financier, attempted to bribe White House officials in the Carter advised to the content of ministration to halt extradition proceedings against Mr. Vesco.

Airpines for Libya

While investigating this allega-tion, the Justice Department received information suggesting that Mr. Vesco had tried to obtain the release of airplanes for Libya by contacting Carter administra-tion officials, including Hamilton

Jordan, chief of staff in the Carter White House, and John C. White, former chairman of the Democratic National Committee. Shipment of the planes had been

blocked because of Libya's support for terrorist organizations. The Judiciary Committee report said there were "serious inconsis-tencies" in Mr. White's sworn testimony before the committee and a federal grand jury in New York. In addition, it said that he "got spe-cial treatment" from federal pro-

evidence against him. Vesco Still at Large

secutors, who advised him "with specificity" of the allegations and

In a telephone interview Tuesday, Mr. White denied that he had received special treatment, saying he had endured "agony, innuendo and adverse publicity" before the Justice Department announced in November 1981 that no charges would be filed against him. The FBI had no immediate com-

ment on the committee report. Mr. Vesco remains a fugitive and was last reported to be in Nicaragua. The U.S. government still wants to bring him back to the United States to face charges relat-

ed to the looting of a mutual fund and an illegal contribution to the 1972 re-election campaign of Presi-dent Richard M. Nixon.

The committee said: "The nature of the co-conspirators and the crime that was the object of this conspiracy, namely to subvert American foreign policy, demand-ed special care and attention. The FBL however, gave no thought to the investigation's profound implications for foreign policy and, if anything, was careless about monitoring the actions of its inform-

"It is well that justice is blind," the report said, "for she would not care to see what has been wrought in her name."

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## Study Lists 'Weaknesses' of U.S. Spy Agencies 3

By David Hoffman and George Lardner Jr.

Washington Past Service
WASHINGTON — The House intelligence committee, brushing aside objections from the ClA and other U.S. intelligence agencies, has voted at a closed-door session to make public a staff report critical of the performance of those agencies in Central America in recent years.

The report, scheduled for release Wednesday, was heavily edited to tone down several criticisms and respond to complaints from some members of the committee. For example, the phrase "rightist vio-lence" was changed to "terrorist violence" several times in reference to the weakness of reporting on rightist violence from El Salvador. A draft copy, reflecting the edit-ing, was obtained by The Washing-The study was commissioned

WASHINGTON -- The Reagan

administration's record military

budget has sailed virtually intact

through a key congressional test,

dorsed by the Pentagon and the

cutting mood.

**Panel Backs** 

Reagan on

months ago by Representative Charlie Rose, a North Carolina Democrat who is chairman of the subcommittee on oversight and evaluation. He told a reporter Tuesday that the National Security

Agency, the Defense Intelligence Agency and the CIA had opposed They felt it should be a confidential slap on the wrist," Mr. Rose said. "I felt strongly otherwise. It's important that the public know our committee is not afraid to go public with criticism even though that criticism may not be pleasant for the intelligence com-

The 47-page draft covers intelligence reports and assessments during the administrations of Presidents Jimmy Carter and Ronald Reagan, and it raises repeated questions about instances in which administration policies may have had skewed intelligence gathering.

dentious rhetoric, including occasional oversimplification and misstatement can drive out some of the needed collection and analysis," the study concludes.

The study repeatedly emphasizes what the committee staff described as the high quality of most intelligence reporting from Central America. But the staff said that it wanted to "sound an early note of concern about the larger costs that might be incurred by the particular kinds of weaknesses" found. Shortcomings included:

• A major intelligence briefing for the committee last March 4 on

outside communist support for the Salvadoran insurgency was flawed by several instances of overstatement and overinterpreta-

At one point, the committee was told that "lots of ships have been traced" from the Soviet Union to

that "only a small number had a tually been tracked all along t route."

· A slide at the same briefi on "guerrilla financing" indicat that Salvadoran guerrillas were : in ceiving about \$17 million a year ho addition to weapons, but the cale fo lation was an extrapolation "bas: con a single piece of evidence in: t cating the monthly budget for t secommander of one faction on on

 Assurances by a CIA official last February that Salvadoran a thorities had made much progre in reducing acts of violence ! their forces turned out, on furthd, committee inquiry, to have beave based solely on statements frot-t the Salvadoran Defense Minister about disciplinary actions for it !

#### U.S. Prayer Bill Remains Blocked terfere with passage of the debt-

WASHINGTON - Senate con-

the third and possibly final time to halt a liberal filibuster against leg-islation that would legalize organized prayer in American schools. Amid indications that the Senate majority leader, Howard H. Baker Ir., Republican of Tennes-see, would soon call a halt to the

emotional floor dispute, the Senate

Liberals Denounced

has an obligation to block any leg-

islation that would give the gov-

erament the authority to write a

prayer for the classroom even if

children are not required to partic-

Mr. Baker said that even if Mr.

tached to a bill on the federal debt

limit that must clear Congress by

Oct. 1 or the government will be

without authority to borrow mon-

Mr. Baker said Wednesday that

would use Senate rules to re-

ipate in the reading.

in early October.

ey to pay its bills.

confounding some assessments that Congress had returned from its Labor Day recess in a budgetvoted 54-46 against limiting de-The Senate's defense appropria-The vote on the measure meant tions subcommittee approved allo-cations of roughly \$232 billion, about \$13 billion less than requestthe conservative supporters of the prayer measure fell six votes short of the 60 needed to restrict further ed by the administration but in line with budget cuts already endebate to 100 hours. The prayer measure, which is

sponsored by Senator Jesse Helms, Republican of North Carolina, White House. "Nothing basically has been cut in this bill," said Senator Ted Stevens, Republican of Alaska, the would strip federal courts of authority to rule on school prayer subcommittee chairman. "We just slowed down the rate of growth of

some programs." The subcommittee bill would inrease military spending \$28 billion from the level for this fiscal year, which ends Sept. 30. The measure includes full financing for the MX missile system, the B-1 bomber and two nuclear aircraft carriers. It includes money for an increase in troop strength and for more planes, ships and missiles.

Warning About Future The subcommittee action came

as the Congressional Budget Office warned that Congress, by approving "down payments" on expensive new weapons, was locking it-self into heavier and heavier military spending in future years, when the final bills for these weapons will come due. In approving the two new air-

craft carriers, for example, Congress is appropriating only \$25 million to be spent in fiscal 1983. By 1987, however, it will have been obligated to pay out the full \$6.8 about \$11 billion for support ships to make up each planned new carrier battle group.

"We have beaten them," Senator

Daniel Patrick Moynihan, Demo-

crat of New York, said after the

servatives failed Wednesday for Earlier, Senate liberals said two previous procedural victories showed that they will ultimately win the prayer light. Victory Predicted

> Senate refused on Tuesday, 53-47, to end the filibuster. "We have broken the radical right." In Tuesday's voic, Mr. Helms picked up only three votes more than he had in the first vote on

limiting debate Monday.

Mr. Baker said that he would call together the main figures in the monthlong debate on the so-

called social issues and look for

some way to resolve the fight. In Tuesday's vote, 28 of the Sen-ate's 46 Democrats voted to keep the filibuster alive and thus to Senator John P. East, Republiavert an on-the-record vote on the can of North Carolina and a supprayer legislation. Both sides have porter of Mr. Helms, accused the predicted the Senate would pass liberals of refusing to allow a mathe prayer measure if there is such jority of the Senate to work its will. Senator Dale Bumpers, Demo-crat of Arkansas, said the Senate

Mr. Moynihan, Senator Lowell

#### Russia Says It Will Sign Law of Sea Convention

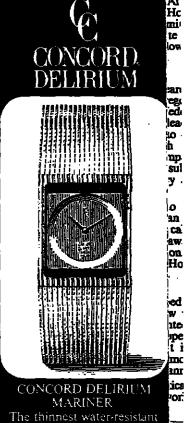
UNITED NATIONS, New York

- The Soviet Union, which abs-Helms and his followers are able tained when the UN Law of the to force a vote on the prayer issue Sea convention was adopted in which now seems unlikely -April, announced Wednesday that the legislation will not clear the it had decided to sign the docu-Senate before Congress adjourns At the same time, Venezuela, The prayer amendment is at-

one of four countries that voted against the convention, informed the Law of the Sea Conference that it was withdrawing its offer to hold the signing ceremony in Caracas in December. The announcements were made here at a conference session to consider recommove the prayer amendment or mendations for technical changes any other additions that might in- in the convention.

Weicker, Republican of Connect In cut, and other liberals fighting M: C Helms's measure have said litt & about the implications of prayer i

the classroom. an They have spent most of the ys time attacking the measure as a 1gl affront to the independence of that federal court system. Once prayellu is removed from court jurisdictiony t they say, freedom of the press, ci ci the right to have meetings or t vote, could be the next item.



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# Free Democrats Drop In West German Poll After Leaving Schmidt

By James M. Markham New York Times Service

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BONN — Amid signs of mounting disarray within the small Free Democratic Party, an opinon poll released Wednesday showed that its national support had dwindled to only 2.3 percent of the electorate after it decided last week to shandon Chancellor Helmut abandon Chancellor Helmut

Schmidt's government
The poll, conducted by the respected Allensbach Institute in the previous three days, was unsettling news for Hans-Dietrich Genscher, the Free Democratic chairman and outgoing foreign minister, who has been sharply criticized by the par-

's left wing. Late Tuesday night, a caucus of the party organization in Bremen joined regional groups in West Berlin, Schleswig-Holstein and Hamburg in demanding a special congress to reconsider the decision to switch alliances in Bonn. Four of the 11 regional organizations are required to summon such a

Campaigning in Wiesbaden for state elections that will be held Sunday, elections that could be crucial to the survival of the liberal party, Mr. Genscher told reporters that the move to call for a special party congress was "a legitimate

Earliest Date

But in Bonn, Günther Verheugen, a Genscher loyalist who is expected to resign as party general secretary, said that the earliest an emergency congress could take place was Oct. 16, well after the new coalition with the Christian Democrats will have been consum-

The last Allensbach poll, taken in July, gave the Pree Democrats. percent of the vote, compared with the 2.3 percent now. The new poll put the Christian Democrats'

53.7 in the summer, and shower that Mr. Schmidt's Social Democrats had railied from 31.4 percent in July to 36.8 percent since his defiant call for new elections on Friday when the old coalition col-

The sounding also found that support for the Green movement of ecological and anti-nuclear pro-test had dipped slightly, from 9 percent in July to 7.8 percent. Al-lensbach also reported that 75 per-cent of those polled supported Mr. Schmidt's call for immediate new Schmidt's call for immediate new elections, whereas 82 percent found the breakup of his coalition proper because the two parties could no longer work together.

The somber news for Mr. Genscher came as he was engaged in sensitive negotiations in Bonn over the distribution of portfolios in the cabinet to be led by Helmut Kohl, chairman of the Christian Democrats. The Christian Democrats, together with their sister party in Bavaria, the Christian Social Union, and the Free Democrats have pledged to make Mr. Kohl chancellor on a so-called "COBstructive no-confidence" against Mr. Schmidt on Oct. 1.

In an effort to buck up party morale, Mr. Genscher sent a letter to Free Democratic leaders Wednesday justifying the decision to leave the Schmidt government. The letter said that divisions within the chancellor's Social Democrats had made it impossible to follow a coherent foreign policy or struggle against unemployment.

He asserted that support for our courageous decision to join the Christian Democrats was growing. "Ever more voters recognize," he wrote, "that it is worthwhile to support this courageous Free Democrat Party."

That just the opposite may be true is worrisome for Mr. Kohl. share at 52.7 percent, down from too. The Christian Democratic needed to gain representation in



Chancellor Helmut Schmidt took the wheel of a Rhine riverboat Tuesday while campaigning for state elections in Hesse.

leader needs Mr. Genscher and a relatively credible Free Democratic Party as a counterweight to his conservative Christian Democratic colleague, Franz Josef Strauss, who believes that his Bavarian organization should be the new govemment's preeminent partner.

As a result of these tensions, the vote in Hesse state on Sunday has taken on considerable importance. Should the Free Democrats tumble below the 5-percent cutoff limit

the state legislature, Mr. Genscher's hand in the coalition bargaining will be weakened - and, to an extent, Mr. Strauss's strengthened.

Moreover, a poor showing in Hesse will give fresh ammunition to Mr. Genscher's critics and doubters within the Free Democrats, possibly increasing the chance of a challenge to his leadership at an emergency party congress next month or at one already scheduled to be held in West Ber-

# Spain's Socialists Try to Allay Business Fears

#### Bankers Remain Unconvinced by Platform as Elections Approach

By Susan Roberts

MADRID - The Spanish Socialist Party is trying to calm edgy businessmen and bankers with a moderate economic platform, but. it has not had much success.

The Socialist leader, Felipe González, whose party is expected to win the national elections Oct. 28, says he has no miracle cures for Spain's economy, which has an in-flation rate of about 15 percent and two million unemployed, or 16 percent of the normal work force. But one of the main planks of his election platform, to create 200,000 jobs annually by stimulatinvestment and cutting the work week, is considered unrealistic by many in the business and banking community.

"At first glance, there are depressing similarities with France," an economist said.

Details of Plan

The Socialists say the extra jobs will be created by reducing employers social security payments, introducing early retirement and setting a standard work week of 40 hours, which will eventually be re-

By Lawrence Feinberg

Washington Post Service
WASHINGTON — While virtually everyone in the United States

now learns how to read, the coun-

try faces a serious problem with the large number of people who

choose not to read or only read

simple "dimbed-down" material,

a panel of experts and publishers said this week.

Most of them pointed with con-

cern to the stagnant circulation of

daily newspapers and to flat sales

of books. They blamed the prob-

lem on the allure of television and the failure of schools to set high

U.S. Mission May Meet

With Laotians on MIAs

BANGKOK — A private U.S. mission in Vietnam seeking infor-

mation on servicemen missing in

action plans to return to Laos on

Thursday with prospects of speak-

ing to citizens who once had con-

tacts with American prisoners of

A U.S. Embassy official in Vien-

tiane said the Laotian authorities

were planning to take the four-member mission of the National

League of Families of American Prisoners and Missing in Southeast

Asia to the northeastern town of

Viengsay. The group is finishing eight days of talks in Hanoi with

Vietnamese officials on questions

about MIAs.

Mr. González plans to stimulate production and investment by encouraging banks to extend credit

to worthy projects.

But banking sources said President François Mitterrand had failed to curb unemployment in

#### **NEWS ANALYSIS**

France with similar plans to increase jobs. They added that any plans to create employment during the next few years can have only limited success because of the world recession.

Some bankers, as well as the Socialists' opponents, said such moves to stimulate employment will only aggravate Spain's public-sector deficit, which last year stood at 618 billion pesetas (\$5.5 billion), or 3.6 percent of the gross domes

They are also skeptical about the Socialist plan to fight inflation, though Mr. González aims to curb it with certain price controls on some public services and basic products not subject to normal market competition.

But uncertainty over the implieations of a Socialist election vic-

tory has caused jitters on the country's four stock exchanges. In Ma-drid last week the Bourse index fell and there was no point in further to the year's lowest level on five successive days.

The stock-exchange slide started at the end of last month, soon after former Prime Minister Leopoldo Calvo Sotelo dissolved the Cortes and called for the October elec-

There were some market rumors that the right, aware that the Socialists were likely to win, was engineering a decline deliberately to spark alarm. But this was denied by the research director of the rse Alberto Cerroloza said the fall was due to normal pre-election pressure, and by Mr. González.

"Why should this happen?" Mr. González said, adding: "We have the confidence of 90 percent of the banking system.

Nationalization Plan

Bankers said they were relieved at the limited nationalization program of the Socialists, who say they would put only the national power grid under state control. According to Mr. González, the pri-

decision-makers, even the elitist

Rhodes, president of the Magazine

Publishers Association, noted that

cles and books have been

'dumbed down" for people who

cannot or will not read anything complex. There is a great art to

vate sector appeared to be healthiand there was no point in further

The Spanish Socialists, unlike their French counterparts, have not alarmed high-income earners with plans for increased taxes but say they will concentrate on improving the existing, notoriously inefficient, system.

#### Regional Projects

One element causing concern especially among foreign banks, is a plan to restructure the country's savings bank system. The Socialists would like to stop them from trading on the interbank market and to channel their funds into regional projects.

"It looks as if the Socialists would like to corner surplus savings bank funds for themselves. which could be very serious for

us," a foreign banker said. Some foreign bankers said that the Socialists came to power they would find it difficult to abandon lightly the existing com-mitment to the interbank market because many government entities now borrow heavily on it.

#### **Could Be Eliminated** one of Solidarity's top three leaders, had worked with the dissident

WARSAW -- The Polish govern-ment suggested Wednesday for the first time since martial law was declared that it was thinking of eliminating the Solidarity trade union altogether and of building new

unions from scratch. Rzeczpospolita, the government daily newspaper, said in a commentary that it was "unimaginable" that the name Solidarity and its leaders still active in the underground could resume their work

The lengthy commentary was signed by an "observer," a signaclared Dec. 13.

"It is hard to imagine a situation when the name of the union, bur-dened with such a bad record, nothing had happened," the paper union ... should have thought better of the political consequences of their actions."

The paper listed a series of "negative facts" associated with Solidarity. It mentioned the union's underground activities, actions against martial law, organization of illegal strikes, street demonstrations and riots, leaflet campaigns and distribution of brochures attacking the Comminist Party and

Criticism Sharpening

The union and its underground leaders have come under increasingly sharp criticism since the riots and protests of Aug. 31 that marked the second anniversary of the founding of Solidarity.

Rzeczpospolita said the govern-ment had signed agreements with workers two years ago and "not Solidarity, which still did not exist as an organized structure then."

"The idea was to set up self-governing and independent trade unions that would be socialist in nature, abide by the constitution and refrain from performing the role of a political party," the paper

any attempt to dismantle Solidarand disturbances

The government commentary coincided with a new attack on dissidents in the Communist Party paper, Trybuna Ludu. That attack for the first time placed two top Solidarity leaders into the ranks of dissidents, calling them "comman-

Trybuna Ludu said Anna

as part of China's overall plan to stabilize its borders so it can focus on economic modernization. Re-cently, China has moved to settle its boundary dispute with India

even to acknowledge the coming Soviet visitors as official guests, the sources said. Instead, they will come as private guests of the Sovi-et ambassador. The mission will be headed by Deputy Foreign Minister Leonid F. Ilyichev, who was the chief negotiator at the last round of Chinese-Soviet talks before China suspended them in late 1979.

By Michael Weisskopf

Washington Post Service

BELITING — The Soviet Union will send a high-level diplomatic

mission here next month in the

hope of persuading Chinese offi-cials to resume political talks for

the first time in nearly three years, according to European officials.

China, however, has refused to

commit itself to any discussions or

Beijing, which broke off toplevel government dialogue with Moscow after the Soviet Union intervened in Afghanistan in Decem-ber 1979, publicly disclaims know-ledge of the trip but is expected to provide some forum for discussions with the delegation at least as an act of courtesy, the sources

Any talks would be preliminary and would not deal substantively with the major obstacles that have provoked enmity between the two communist powers for more than 20 years, diplomats said.

"The Chinese feel very uncom-fortable with the high level of this visit, which was imposed on them unilaterally by the Soviets," said a European diplomat. "But they say, 'If the Russians ask for a visa for Mr. Ilyichev, how can we refuse

Trying to exploit tensions in U.S.-Chinese relations over American arms sales to Taiwan, Moscow began urging Beijing last spring to normalize relations.

China, while pledging never to play "the Russian card," has taken several small steps to improve economic and cultural relations, boosting trade this year by 44 per-cent, inviting Soviet athletes for sporting matches and sending professional delegations to Moscow.

But Beijing has kept its political distance from the Soviet Union and ruled out any normalization until Moscow pulls its military back from China's border.

Last month, Yu Hongliang, head of the Soviet desk at the Foreign Ministry, visited Moscow to test the latest Soviet overture. Sources said the Russians were unwilling to discuss the issues China considers most compelling -Soviet stationing of troops in Afghanistan and on the Chinese-Soviet border and arming of Viet-namese forces along the Chinese-Vietnamese border and in Cambo-

Nevertheless, Beijing has dis-played an interest in broadening

Soviet Mission Will Go to China

To Seek New Talks, Sources Say

its "people to people" relations with the Soviet Union while putting the larger strategic issues on hold.

The new moderation after years of hostility toward Moscow is seen as part of China's overall plen to

Chinese flexibility in dealing with Moscow as evidence of a strategy of positioning itself between the superpowers so as to enhance its bargaining position with both.

## Thatcher Begins Talks With Chinese Officials

By Christopher S. Wren New York Times Service

BELIING - Prime Minister Margaret Thatcher of Britain arrived Wednesday in China for an official visit that is expected to center around discussions with the Chinese leadership on the future of Hong Kong. Mrs. Thatcher, who flew in from

Tokyo early in the afternoon, is the first British prime minister to visit China while in office. She made a trip to China in 1977 as opposition leader of the Conservative Party.

Her visit comes at a time when

the British colony has been experiencing financial jitters in anticipation of 1997, when the British lease on 90 percent of Hong Kong's territory is scheduled to expire. No Specific Proposals

The prime minister is understood to have come to China with ome ideas about an eventual solution but no specific proposals. She is expected to try to find out what the Chinese leaders, who have been sending out conflicting sig-nals, have in mind for Hong Kong. Mrs. Thatcher is being accompanied here by Sir Edward Youde, the British governor of Hong Kong.

Upon arrival, Mrs. Thatcher was accorded a ceremonial welcome, complete with an armed forces honor guard and chanting schoolchildren, before sitting down with Prime Minister Zhao Ziyang for her first round of talks.

The meeting dealt with international issues, British sources reported. Mrs. Thatcher said Wednesday night that Hong Kong would come up in the discussion of bilateral issues when she meets with Mr. Zhao again Thursday morning. She is scheduled to see Deng Xiaoping, China's foremost leader, on Friday.

Another issue in her visit here is the status of Chinese-British trade, which has been running more than 2-to-1 in China's favor so far this year. Statistics published for the first seven months of 1982 disclosed that China imported only

Committee for Social Self-De-

fense, or KOR, on an "anti-Polish"

campaign during the union's con-

The article also depicted the

KOR and union leaders as local agents of U.S. and NATO plans to promote "annihilation," "anar-

Meanwhile, Henryk Kuron, fa-

ther of the KOR leader, Jacek Ku-

ron, was buried here Wednesday in

his son. Jacek Kuron, who has

been held in prison since martial law began, was allowed 20 minutes at his father's coffin before being

About 1,000 people attended the

service, but no incidents occured

Henryk Kuron died at 77 last Fri-

day and was not involved in KOR

**OAS Rights Unit** 

To Check Charges

Against Guatemala

MEXICO CITY — An interna-tional team of human rights inves-tigators has arrived in Guatemala.

at the same time that a leftist peas-

ants' group was alleging that 4,000 civilians had been murdered since President Efrain Rios Montt came

The Inter-American Human

Rights Commission, which is affiliated with the Organization of

American States, was invited by the government to check reports

that the Guatemala's Army and se-

curity forces had been involved in

widespread and systematic killings of civilians.

In Mexico City, the newly formed Peasants' Committee of the Altiplano said in a statement

that the Guatemalan government had killed 4,000 civilians, most of

them peasants, in a series of mas-

sacres since General Rios Montt

assumed power in a military coup

Diplomatic sources and aid offi-

cials in Mexico have said that the

to power five months ago.

ceremony that was held without

gress in Gdansk a year ago.

promote "annihilation," chy" and "civil war."

taken back to jail.

52.3 million pounds (23.8 million kilograms) of British goods while exporting 121.2 million pounds of its own products to Britain. Criticism in a Toast

In a dinner toast at a state banquet held Wednesday night in her honor, Mrs. Thatcher implicitly assailed the Soviet Union, telling Mr. Zhao that China's opposition to hegemonism, its code word for ex-Western Europe understands. isionism, was a concept that Western diplomats in Beijing do

not expect Hong Kong's future to be resolved during Mrs. Thatcher's visit, but they think that she might press the Chinese to set up a struc-ture for continuing joint discussions of the complex problem.

The issue has been discussed

quietly since last spring through the respective embassies in each capital, according to a Chinese source who has followed the situa-

A similar compromise already exists between China and Portugal in

CANBERRA, Australia - The Australian government will ensure that meat exported to Islamic nations is prepared in accordance with Moslem religious requirements, Parliament was told Wednesday.
Trade Minister Dong Anthony,

in answering questions on an offi-cial report that revealed widespread corruption in the meat infustry and inefficient supervision by the local Moslem authorities, said the government was considering forming a single authority to oversee exports to the Moslem countries. Australia has a multimillion-dollar meat export trade with the Middle East.

Britain is thought to favor an arrangement that would acknowledge ultimate Chinese sovereignty over the colony while letting the British keep governing after 1997.

#### Australia Food Exports To Meet Islamic Code

inere. Avantgarde interiors with more than 100 works by eading contemporary artists irst class Gala Restaurant Michelin star) 🗼 Dancing in: Spielcasino Oeÿnhausen<u>∺</u> Sermany's latest Tasteful aming salons in the midst of ne lovely Kurpark, Sophistiated ambience created by movative architecture, lighting ctor and art. Gournet dining, ot machines Roulette, Black ack daily from 3 p.m. Bremen in delebrated Böttcherstrasse Choice dishes in the Flett Restaurant, drinks in the Roulette Black Jack Baccara in Aix-la-chapellei daily from 3 p.m. Messieurs, Mesdames -aites vos jeux.

# **Poland Hints Solidarity**

as if nothing happened."

ture usually reserved for the government paper's toughest statements. It indicated the authorities may be preparing to reveals its plans for the future of unions suspended when martial law was de-

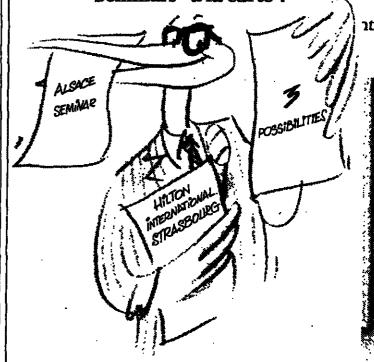
would return to public life as if "Activists of the suspended

Fugitive union leaders have said

ity could lead to renewed protests New Attack

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18,000-member Guatemalen Army began using scorched-earth tactics after the president declared a state of siege and ordered a military drive against leftist guerrillas.

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Reading Skills in U.S. Withering, Experts Say

class."

Rhodes said.

said America's "a-literates," or people who can read but do not, enfeeble the country's technological economy. These new non-readers also create a danger for demo-cratic government, they said, by opening themselves to political

The exchange took place at a conference on "a-literates" sponsored by the American Enterprise Institute, a center for public policy research in Washington: 'Colder Reality'

The problem lies in the gap between our expectations for univer-sal intellectual equality and the colder reality," said Townsend Hoopes, president of the Associa-tion of American Publishers. "Obviously, in a world of increasing social, economic and technical complexity, the power will gravi-tate to those with the greatest knowledge. And if the gap between the educated minority and unedu-cated mass is too great, the oppor-

tunities for political manipulation Nick Thimmesch, a former newspaper columnist who now is a resident journalist at the American Enterprise Institute, said, "It is not difficult to conjure up an Orwelli-an world where lower-income and minority people become televi-sion's higgest audience, and people who do a lot of reading become the

for each of the two sections.

3 Slain in Shooting in Italy

CROTONE, Italy - Gummen killed a man and two 9-year-old girl relatives Tuesday in Italy's southern Calabria region in what

According to the most recent Census Bureau figures, only one-half of 1 percent of Americans But another panelist, Kent over age 14 were illiterate in 1979. Even so, Robert M. Wilson, a

magazine sales have risen rapidly. reading expert at the University of "There is evidence that people are reading more even if they aren't reading things that intellectuals think they should be reading." Mr. Maryland, said there has been a drastic decline in newspaper readership among people 18 to 35. He added that many of those who are literate based on the Census Bu-reau definition "can't function Art of Simplification "I'm not so worried about sim-phification of text," he said, refervery well in our society." ring to complaints that many arti-"It used to be that we were so

#### doing that well." we have to pay attention to now." Test Scores of College-Bound in U.S. Rebound for First Time Since 1963

New York Times Service NEW YORK - Both the verbal and mathematics scores on the Scholastic Aptitude Test rose this year for the first time in 19 years. It marked an upturn in what has become a leading barometer for measuring the condition of the nation's schools.

The average score for seniors who graduated from high school in June was 426 on the verbal part of the standardized test and 467 on the mathematics section, compared to average scores last year of 424 on the verbal part and 466 on the mathematics part, according to the College Entrance Examination Board, which sponsors the testing program. Scores range from a minmum of 200 to a maximum of 890

In 1963, the year before the string of declining scores began, the national averages were 478 for the verbal score and 502 for the mathematics score. No conclus explanation has been offered for the past declines, and the cause of

the improvement this year is also apparently unknown.

interested in getting people to read that we weren't concerned with

whether they were reading," Mr. Wilson said. "That's the problem

George H. Hanford, president of the College Board, said in a statement, "This year's rise, how-ever slight, combined with last year's holding steady, is a welcome sign for educators, parents and students that serious efforts by the nation's schools and their students to improve the quality of education are taking effect."

South Korean Students Said to Hold 3 Protests The Associated Press

SEOUL - Students upset with the South Korean government and critical of Japan reportedly dem-onstrated Wednesday on at least three university campuses in Seoul. Plainclothes police were reported to have broken up the protests. Witnesses said about 200 stu-

dents took part in a protest at

Yousei University, criticizing the

Seoul government and denouncing

Japan for revising textbook ac-counts of Japanese behavior in World War II. About 1,000 persons reportedly took part in a simi-lar protest at Sungkyoonkwan University. A third protest was reported at Ehwa Women's Univer-

# Herald Cribune

## A Future for Lebanon

Many foreigners have virtually written off ebanon. They see its politics as a jungle and cate the solution, if they think any at all is ossible, in a Syrian-Israeli partition or conominium. Many Lebanese, however, are buspicuously unready to yield up their nances for a national rebirth, notwithstandig the divisions that have rent the country nd the cruelties that have been inflicted pon its citizens, often by each other.

The clearest evidence of their faith is that ney are clinging to the rail of the Lebanese postitution, which mandates the start of a ew six-year presidential term today. In Augist, Bashir Gemayel was elected, even though he country was still a war zone occupied by oreign powers. He was cut down last week his death cost Lebanon its distinction as he lone Arab country not to have lost a head A state to violence. By Tuesday, however, the ebanese had collected themselves and reilaced him with his older brother, Amin.

What stands out in Tuesday's election in 'arliament is that Gemayel's would-be cometitors among his fellow Maronite Chrisians fell away, and his Moslem erstwhile ivals united to make him Lebanon's first one-ballot president by a margin of 77-0, with hree abstentions. Enough is enough, everyone seemed to be saying. The vote for Bashir had been 57-1, with four abstentions.

Bashir Gemayel was first of all a militia leader in Lebanon's civil war who had made an impressive but late start at trying to conciliate Lebanon's disparate factions. Amin Gemayel, a 40-year-old lawyer who has been . a leader of his clan's Phalangist Party and has served in Parliament for 12 years, is regarded as better suited by temperament and experience to bring Lebanese together. This reputation helps explain why Moslems accepted his disavowal of any Phalangist responsibility for the West Beirut massacre, although some Phalange militiamen — renegades, he says did take part in it. The worrisome flip side of this explanation, of course, is that Mr. Gemayel may not control his men.

That he will be sorely tested goes without saying, not least by Israel, which, despite everything, still seems inclined to use its Lebanese presence to bargain for an early peace treaty with Beirut — a treaty whose prema-ture making would put at jeopardy the con-sensus that is Lebanon's best prospect for escaping from darkness. Mr. Gemayel will need full help from the United States and all of Lebanon's other friends.

-THE WASHINGTON POST.

# Deng's Triumph in China

What happened at China's 12th Communist Party Congress was mainly symbolic and nainly predictable. Maybe Deng Xiaoping did not get all that he wanted, but it was made fairly clear that he is in charge of the party that rules a billion people.

By again downgrading Mao Zedong, erasing his post of "chairman" from the hierarchy and banishing Mao's chosen successor from the Politburo, the Congress reconfirmed the supremacy of Mr. Deng and his more bragmatic brand of Marxism.

But confirming history is the function of Communist Party congresses. With rare exceptions, such as the 20th Soviet Congress that exposed Stalin's crimes, these conclaves are pseudo-events. Their purpose is to ratify a course already taken. The triumph of Dengism was ritually sealed by Hua Guofeng's final demotion from the leadership; he was the last major Maoist, an accessory to the now condemned Cultural Revolution.

For Americans, all this should presage a period of stable relations with China, at least on essentials. A potentially disruptive dispute

over Taiwan was defused when President Reagan agreed to level down arms sales to the Nationalists on the understanding that the island would not be claimed by force. The deeper reason for Sino-American partner-ship, however, is the priority Peking will con-

tinue to give to economic growth.

It is Mr. Deng's vision that China can average annual growth rates of 7.3 percent until the year 2000. Production would have to quadruple. Foreign trade and investment are essential, and steady enlargement of a small private sector with energizing incentives. In short, there is a chance to widen and deepen the partnership begun by Mao and Richard Nixon and rooted originally in a shared alarm about Soviet aims in Asia. Increased contacts will occasionally bring frictions -witness Peking's rancor over the recent defection of a young tennis player. But the U.S.-China connection is weathering the deeper disagreements that arise from incompatible ideas about human and political rights. Interests can be shared even when values cannot.

-THE NEW YORK TIMES.

### Other Opinion

#### Menachem Begin Must Go

Judeo-Christian tradition contains no justification for the mass slaughter of men, wom-en and children in two Palestinian refugee camps in Lebanon. The massacre exposes tragically the need for the people of Israel to replace the irascible government of Prime Minister Begin, which set out on the folly of re-invading Beirut. The Israeli military presence in Beirut must end immediately. That beautiful Mediterranean city and thousands of its innocent civilians have been butchered as a result of the military adventurism of Mr. Begin and Defense Minister Sharon.

Surely now, the people of Israel must make a moral as well as political judgment about the events of this past weekend in Lebanon. By re-invading Beirut instead of opting for peace through diplomacy, the Israeli government has contributed to more death and destruction. Of course the Reagan administration must turn up the pressure on the Begin government. But, more important, the people of Israel must see where the Begin-Sharon regime has led them.

Unless Israel gets a new government, the disproportionate militarism of Mr. Begin and Mr. Sharon will not be seen solely as the misguided actions of a particular governing party, but of the nation itself.

The Raleigh (N.C.) News and Observer.

#### 'A Weird Wonderland'

Were Alice, Lewis Carroll's famous character, to stumble into the halls of the United Nations' General Assembly, she might ask one of the delegates the same question she asked of Humpty-Dumpty in "Through the Looking Glass" — whether one can make words mean whatever one wants them to mean. Ignoring logic, rejecting consistency, the United Nations has fashioned its own strange reality, understandable only by ven-turing through the looking glass to a weird wonderland. A majority of about 100 na-tions, for example, consistently castigates the United States for such alleged crimes as trading with South Africa. Never mind that Zimbabwe does, too.

What thrives at the United Nations is a Humpty-Dumpty-like standard affecting rhetoric and practice. This amounts to a political culture, a mood and atmosphere, an evolved

system of practices dictating which behavior is preferred and which taboo, what can be said and what best remains unspoken, it is a political culture dominated by a majority of developing countries, which are seduced or intimidated into extremism by a well-organized totalitarian minority. The result, as a top-level member of the UN secretariat admits in private, is the production of "nonsense." Many a seasoned delegate will agree that the United Nations has been staging a "theater of the absurd" for quite some time.

#### The New Dutch Parliament

— The Heritage Foundation (Washington).

The election results in the Netherlands have tended to clear the air. The gains made by the right-wing Liberals and Socialists show a marked move toward polarization. On the other hand, the makeup of the new government is no longer dictated solely by the arithmetical sum of party seats; at least in theory, various coalition permutations are possible. This means that the government, when it is formed, will at least represent affinity of policy and not be merely a shotgun marriage.

— Neue Zürcher Zeitung (Zurich).

#### On Letting Paisley In

The Rev. Ian Paisley, the baroquely anti-Catholic leader of militant Protestants in Northern Ireland, is not most Americans' idea of an ideal guest. Still, the State Department made a mistake last year in denying him the visa he needed to make an American lecture tour. A better reproach to the bigotry Mr. Paisley represents would have been a reaffirmation of the American belief that all opinions ought to be heard.

Now the State Department has relented. It [allowed him] to come to the United States to attend the funeral of a friend in California, apparently on the expectation that he would not use the service as a political forum.

That dispensation was still too crabbed. Mr. Paisley, like militant spokesmen for the other extreme on the Irish question, trades in a kind of rhetoric that most Americans find troubling. But so long as such views are ex-pressed peacefully, their proponents should be treated the same way as other foreigners who want to bring their message.

- The Post-Gazette (Pittsburgh).

# Menachem Begin and the United States

WASHINGTON — There is no point now in lecturing Mena-chem Begin of Israel or in calling for his resignation. Presumably he is not immortal, and it would be a mistake to confuse him with the state he merely represents. He is not important but the state of Israel is.

It is for the people of Israel to decide whether he stands for the honor of his country. The more outsiders presume to instruct them about what they should do, the more they are likely to resent interference with their internal affairs. Mr. Begin and Ariel Sharon, the defense minister, are Israel's concern.

The problem for the government in Washington - Congress as well as the president - is not to waste time trying to figure out what is in

The Case

Against

Beginism

By Philip Geyelin WASHINGTON — The Israeli government and those Amer-

ican apologists who marched lock-step with it into Lebanon had trou-ble enough making their case before the killing of President-elect Bashir Gemayel. And what now, after last

weekend's slaughter of innocent

Palestinian refugees by rampaging Christian militiamen whose very ex-istence, if not their very act, owes

much to Israeli support?
Not even by the most brazen dis-

sembling can the case be made to-

day. The sweep into West Beirut in the name of "stability" (and in vio-

lation of plain undertakings to the contrary) and its ghastly conse-quences have laid bare the bank-

The more hollow the achieve-

ments of the Begin government

prove to be, the more it must seek

to achieve, in redemption of what it

could not achieve. And so it goes

on, in endless, escalatory pursuit of

a sense of security that is unachievable by single-minded brute force.

when Israeli "gains" are measured

against Israeli claims. Consider, in

composite, the argument set forth in

recent days by Prime Minister Begin, Defense Minister Sharon, and Foreign Minister Shamir.

It asserts: the destruction of the

PLO as a military force; the cre-

ation of a bright, new opportunity

for Lebanon to regain its sovereign-

ty; the smashing of the "infrastruc-ture" of international terrorism; the

prospect of an early peace between

Lebanon and Israel; freedom for

"moderate" Palestinians to partici-

pate in the autonomy process on the West Bank and in Gaza without fear of PLO retaliation. "The expulsion of the PLO.

means that international terrorism

has been dealt a mortal blow." Mr.

Sharon wrote a week or so ago in

infrastructure of violence and revo-

So how come the Israeli govern-

ment is loudly protesting the con-

tinuing presence of PLO pockets of

resistance in Lebanon as justifica-

tion for Israel's continuing occupa-

lution has been broken."

The point is made most forcefully

ruptcy of Israeli policy.

By James Reston

Mr. Begin's mind or Mr. Sharon's mind (for all one knows, there is nothing in them), but to be clear about what is in the mind of the United States government. Both the executive and the con-

gressional branches of the government in Washington are clear that Israel is a strong and valiant nation, the only democracy and reliable military ally the United States has in the Middle East, but Mr. Begin is asking the American government to continue financing policies in Lebanon, in the West Bank and on the Gaza Strip that Washington not only opposes in the U.S. interest but thinks are a menace to peace and even to Israel's security.

Almost one-quarter of all U.S. foreign aid goes to Israel every year. It amounts annually to \$2.7 billion — or between \$3,500 and \$4,000 a year for every family of five in Israel, which is more than the unemploved get in Detroit. And the Israeli arms that destroyed the Iraqi nuclear facility, shot down the Soviet-Syrian missiles and invaded Lebanon and conquered Beirut came

from the United States. Accordingly, the Reagan administration is beginning to think that its private and public appeals to Mr. Begin are not working and that, however reluctantly, it must play its economic card and make clear to him that if he insists on his policies

in Lebanon, the West Bank and Gaza, he cannot continue to count on the economic and military support of the United States.

America is appalled by the tragedy of the massacre of the Palestinians in the Beirut camps. It does not blame the Israelis for this carnage directly, but it blames them indirectly. France has told Mr. Reagan that when its troops reached the refugee camps they were permitted to destroy the land mines but were forbidden by Israeli troops to protect the refugee camps. The Israelis sub-sequently opened the camps to their "Christian" allies, who murdered the occupants while the Israeli troops waited outside.

All this the Israelis deny, and it will take a long time to sort out the facts. But there is a suspicion at the top of the U.S. government that the Begin government was surprised by Mr. Reagan's speech proposing a general settlement of the Palestinian problem, with a freeze on Israeli settlements and self-determination for the Palestinians on the West Bank, linked to Jordan.

More than that, it appears that Mr. Begin and Mr. Sharon directed the invasion of West Beinut to cre-ate a crisis that would destroy the Reagan plan for a general settle-ment of the Palestinian problem. The massacre in Beirut has obviously put the Begin government on the defensive, even with its own people, and changed the question.

For now Mr. Reagan is insisting, after the massacre, that the Israelis get out of Lebanon; President Mubarak in Egypt has withdrawn his ambassador from Israel and is also incicting on withdrawn! insisting on withdrawal.

#### American Aid

And the press and the people of Israel are demanding that the Begin government reappraise its policies and face the consequences of its actions and indifference.

Nothing is likely to be done, however, unless Mr. Reagan, like President Eisenhower in the Suez crisis, insists that Israel change its policy or face the loss of American economic and military aid. Mr. Begin is not persuaded by rhetorical threats from Mr. Reagan or anybody else. He is indifferent to the opinion of the world. He is convinced that he has right on his side, and he will fight for the biblical promise of Israel's lands, come what may.

You have to admire the prime minister's courage. He began by ter-ror and he is being destroyed by it in Lebanon. He has gone too far, and lost the support of many of his own people at home and many of the Jews in the United States. The irony of this, after the massa-

cre in Beirut, is that to save his government he must now leave Leba-non and start to negotiate a Palestinian homeland in the West Bank under the Resean plan, which is the last thing he wants to do.

There is something sad, even tragic about Mr. Begin, fighting on his crutches to the end, quoting selectively from the Bible about Judea and Samaria and using "Christian" mercenaries, like the ghouls in refugees on the battlefield.

It is not only that he has been indifferent to the fate of the Palestinians in the Beirut camps, but that he has been unfaithful to the honorable memory of Israel

The New York Times.



tion? As for the crushing of PLO terrorism, the most significant sin-gle "mortal blow" of late was the killing of Bashir Gemayel - an act of terrorism which the Israelis instantly credited to the PLO.

Now that the PLO "terrorists" are gone, wrote Mr. Sharon, "I believe Palestinians will come forward prepared to negotiate with Israel on the autonomy plan proposed by [Mr. Begin]." No doubt — if Mr. Sharon means Israel's handpicked Palestinian collaborators on the West Bank. But if he is talking about the autonomy formula agreed to by Israel at Camp David, its prospects are further dimmed, as if by calculation, with every new Israeli affront to Arab moderates.

#### Reagan

With the PLO now enfeebled, Mr. Shamir says "it will very soon disappear from the political stage. Who will pay attention to their speeches if these are not accompanied by atrocities and massacres?

Pope John Paul II gave him a uick answer. So, indeed, did Arabs of all stripes at their Fez summit meeting. So have the Europeans, But that is not the worst of Mr. Shamir's astonishing claim. What he is suggesting is that the PLO, and by extension its vast legion of Palestinian supporters, cannot get

attention except by terrorist acts; they are dammed if they do and doomed if they don't. By indirection, the Shamir argument would place a premium on PLO terrorism. So much for the "gains." Now consider some other consequences

of Israel's new imperialism -- the ones that Begin & Co. don't talk about. Ronald Reagan has a Middle East policy, updated from, let us say, the 1950s to at least the late 1970s. It is Camp David in its truest sense — with a role for Jordan. Mr. Begin hates it. But it was Mr. Begin's crude contempt for Ronald Reagan that created it.

Mr. Begin has only himself to

blame, as well, for the splintering of what once was automatic, reflexive what once was automatic, remember support among American Jews for Israeli policy. By what he did to en-ergize the Reagan administration, Mr. Begin has also given his own political opposition something to fasten onto as an alternative to the Begin theology that would lay claim for eternity to the West Bank as an integral part of Israel.

By no test can Mr. Begin's Leba-The minuses are his to justify as best he can. The pluses are Ronald Reagan's to build upon. This can only be done by finding some way to bring American influence to bear constructively on Israel.

The Washington Post.

A Nigerian's Plea to Limit the Arms Trade responded with a secret letter endors-

ing Mr. Johnson's ideas. There is evidence that Washington and Moscow transferred far fewer arms to their Middle Eastern clients than were requested. Certainly they did not supply new and sophisticated equipment. President Anwar Sadat noted at the time: "It was clear that the stalemate - no peace, no war suited the superpowers. There was some agreement between them about

the level of arms supplies." In the end, this agreement broke down in 1972, partly because of political tensions again rising in the area and partly, it is alleged, because of Washington's decision to sell F-4 fighter-bombers to Israel

The precedents may not be totally encouraging, yet they show a glimmer of light. If in the Middle East partial agreements were initiated, more lasting agreements should be possible in less combustible parts of the globe such as Africa and Latin America. Sadly, neither the Europeans, the Soviets nor the Americans have such

International Revald Tribune

#### bling in the stock market applies equally to writing about it. October," he once said, "is one of the peculiarly dangerous months to speculate in stocks. The others are July. January, September, April, November, May, March, June, December, August and February." Stock prices have risen roughly one-fifth since mid-August, and the strong temptation is to heed Twain's advice and ignore it. The market

The Market

Is Up —

Meaning?

By Robert J. Samuelson

Washington - Mark

Twain's warning about dab-

seems a casino that makes no sense." It improves while retail sales, industrial production and unemployment deteriorate. Why take this seriously? The answer is that the market is a crude barometer of the economy's

health. If it isn't strong, the economy probably won't be either. Economy and market advanced robustly in the 1950s and 1960s; both performed ... miserably in the 1970s. A weak mar-ket was associated with infections economic bacteria: high inflation, ex-

economic bacteria: high initiation, ex-cessive debt, rampant speculation.

The contrast between the markets of the 1950s and the 1970s was be-tween long-term investment and op-portunism. There were good reasons for this. Between 1930 and 1965, stock prices nearly quintupled while is consumer prices rose by about one, third Between 1965 and 1987, stock a prices increased by about half but a

prices increased by about half bat consumer prices nearly tripled.

What evolved, says Joseph Laind, the Paine Webber analyst, was a traders market. If you who bought and sold at the right moments you could make money, but buying and holding stocks generally meant economic ruin. So individuals deserted the market Between 1968 and 1980, the proportion of their financial assets (cash, stocks, bonds) in the market

sets (cash, stocks, bonds) in the mar-ket dropped from 45 to 27 percent. Instead they hedged against infla-tion by buying real estate, farmland, and other tangible assets. The investment banking firm of Salomon-Brothers Inc. reports that in the decade ended last June farmland rose an average of 13.7 percent annually, housing 9.9 percent consumer prices 8.6 percent and stocks 3.9 percent.

#### Inflation Down

For corporations, the market col-lapse contributed to rising debt burdens. Debt became cheaper, equity more expensive. Saying what hap-pened — a decline in the price-earnings ratio — is easier than saying why. But most explanations have one

thing in common: inflation.

If a herd mentality seemed to produce unrealistic highs in the go go 1960s, the reverse may have occurred in the skeptical 1970s. Mr. Laird thinks the trading bias of big institutional investors accentuated the shift.

(Pension funds, insurance companies and other institutions now account for about two-thirds of daily trading compared with about one-fourth in the 1950s.) He says their investment managers are interested only in "how : industries will perform for the next

The social importance of the market is that when it is working properly, it unites the individual investor's. need to make money with society's need to create true economic value. In the 1970s, it wasn't working well.
Will it now? The most likely cause

of the recent surge is interest rates. By easing corporate debt burdens, lower rates should raise profits. They also make debt securities less attractive. This interest rate arithmetic explains why, in the face of lackluster economic news, a higher market is plausible. Lower rates also may foreshadow economic recovery.

The relationship has broken down recently, but major market fluctuations generally forecast real economic changes. Economist Young Kwon at Rutgers University reports that be-tween 1951 and 1978, decisive market downturns typically preceded eco-nomic downturns by nine months and major market upturns preceded economic upturns by four months.

Although none of this necessarily means a reversal of the yo-yo market of the 1970s, a strong case can be made that real change has occurred. The cheap credit that fueled the inflationary, speculative 1970s no longer exists. Inflation is declining.

But the other case, almost as com-pelling, is that disinflation is exacting a toll that will endure for years. Overburdened with debt, countries and companies will expand feebly. Sales, profits and employment will grow weakly, if at all.

The uncertainty underlines the stock market's place in the economic system. It is not the engine of change, but only one working part. National Journal.

#### SEPT. 23: FROM OUR PAGES 75 AND 50 YEARS AGO

#### 1907: Comparing Socialists

LONDON — The Daily Graphic, in an editorial contrasting French Socialism and German Socialism, says: "French Socialism is anti-militaristic, anti-patriotic, anti-colonial and anti-clerical. The French conceive their Socialism as they conceive most things political in an atmosphere of class passion and wild doctrinairism; the Germans, with characteristic sangfroid, organize theirs thoughtfully and dispassionately, according to the exigencies of their electoral propaganda."

InParis. Le Figaro calls attention to the rupture between France's Socialists and Radicals declared at the congress at Nancy, and says that the separation was brought about by the will of the Socialists.

#### 1932: Gandhi Fasts On

BOMBAY - Three days after the start of his "fast until death" in protest against the granting by Britain of separate electorates to India's millions of untouchables, Gandhi now appears in good health, and while he remained quiet in order to conserve his strength, his conversation with Hindu leaders, who visited him at Yeravda Prison, Poona, was animated by flashes of wit. Gandhi takes a little water - a few sips at long intervals. He has shifted his quarters closer to the gates of the prison, which are not only open for him to leave when he pleases, but for all who care to see him to enter. Fight years ago, he fasted for 21 days as penance for Moslem-Hindu communal riots.

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ONDON — Olusegun Obasanjo was president of Nigeria from 1976 to 1979. A military man, he had been instrumental in the defeat of Biafra. He was responsible for returning Nigeria to democratic rule. Now in retirement, he lives on his farm outside Lagos. Some expect him one day to return to an important position, in his own country or, say, as

United Nations secretary-general. It is something of a surprise that a man who has spent most of his working life in uniform should today be arguing so strongly against the arms trade. Yet at a conference on disarmament earlier this year attended by political leaders from West, East and South, he was by far the most demanding in his prescriptions for limiting the arms traffic.

He convinced many of the participants that the industrialized countries should not assume too blithely that their policy of selling Third World countries more or less whatever these want is universally accepted among developing countries.

Zia ul-Haq, Indira Gandhi and Middle Eastern rulers make headlines with regular requests for new and better imported arms, but Gen, Obasanjo argues that, with the exception of movements fighting sophisticated South Africa, developing countries should be limited to the arms they can manufacture themselves. This would lessen both the amount of destructive power available and the involvement of outside powers, which often execerbate conflicts.

It will only work, Gen. Obasanjo argues, if Third World countries take regional peacekeeping more seriously. No one was more disappointed than hé that Nigeria's effort, together with Zaire and Senegal, to maintain a peacekeeping force in Chad came apart at the seams. It was partly undone, he says, by the United States' decision to supply arms to Hissène Habre while publicly supporting the African peacekeeping force's effort to bring stability to the government of Goukouni Oueddei.

While African efforts to limit the arms trade are in their infancy, Latin Americans have been trying for more than a decade to engineer a common policy of restraint. In the 1974 Declaration of Ayacucho, eight Andean states committed themselves to create conditions for limitations of armaments and an end to their acquisition for offensive purposes, so as to dedi-cate all possible resources to economic and social development.

#### By Jonathan Power

arms race with Chile at a time of economic stringency. The high hopes of freezing existing ratios of weapons to manpower and existing levels of military expenditure were not fulfilled.

However, at a meeting in Mexico City in August 1978, 20 Latin American countries agreed to exchange in-formation on their weapons purchases and work toward a regime of restraints on arms transfers.

It has been argued by experts closely involved in the negotiations that one mistake made by the Latin Americans was not to bring the major arms suppliers in on the agreements. After 1974, the Soviet Union sold advanced fighters to Peru, and France sent Mirage fighters to Ecuador. "To succeed in their purpose," observes Andrew Pierre, a student of arms agreements, "restraints organized by recipients need to be respected by the suppliers and should, if at all possi-

e, be coordinated with them." Cynics say that agreements to limit the sale of arms are doomed to fail-

by Peru, worried by its escalating ure. Yet as far back as the Middle Ages there were understandings among the Christian nations not to transfer weapons to the "infidel Turks." Then there was the "general act for the repression of the African slave trade" signed in Brussels by the non-slave-trading nations, which prohibited the introduction of arms and ammunition other than flintlock guns and powder into a vast zone of the African continent.

More recently, there was the tripartite declaration of 1950 signed by the United States, Britain and France to inhibit an arms race between the Arab states and Israel by restraining sales. In 1955 it crumbled because the Soviet Union and Czechoslovakia concluded a major arms deal with Egypt; and France, unknown to her two partners, signed a secret sales agreement with Israel.

In 1967 there was another attempt, following a proposal by President Lyndon Johnson for arms control in the Middle East. It is believed that then Soviet Premier Alexei Kosygin

discussions on the agenda.

## LETTERS TO THE EDITOR

#### 'In Bad Taste'

My nomination for the You Gotta Be Kidding Award goes to William Safire ("A Bid to Cut Israel's Backing," IHT, Sept. 17) for the comment, "It is in political bad taste for any leader to campaign against his government's foreign policy overseas."
Criticism "overseas"? Everybody does it, all the time. "Bad taste"? The term is dainty for politics. I personally don't see anything "tasteful" in Middle East foreign policy, but then maybe I missed something.

T.F. AMBROSINI. Neuilly-sur-Seine, France,

#### Not Laughing

In response to Loy Ajjan (Letters, Sept. 7): One is tempted to laugh, at the expense of Ireland and the United States, at the suggestion that the British Army might invade Ireland and "keep on bombing and shelling Dublin until all IRA men are rounded up and shipped to their supporters in the United States." The danger is that in the blindly fanatical atmosphere of Northern Ireland there are

tion seriously. Indisputable facts need therefore to be restated. Such known Irish Republican Army or other terrorists as are found in Dublin are brought before the courts and imprisoned on conviction. There are no gun-toting IRA men walking the streets of Dublin.

There are internationally unique arrangements whereby any person living in Ireland suspected of terrorist acts in the United Kingdom can be tried, and if guilty be convicted and imprisoned in Ireland. In the British Parliament several prime ministers have acknowledged that less than 2 percent of violent crimes in Northern ireland originate from outside that area. The fact is that IRA havens are in Northern Ireland cities and in border regions which are "no go" areas for British forces and police.

By British admission and definition, 98 percent of the members of the IRA, having been born in North-ern Ireland, are British citizens, albeit reluctant ones. Because of Britain's failure to rule Northern Ireland fairly, the people of Ireland have been obliged in the last decade to double the size of their police force and army

lence which emanates from the Unit-ed Kingdom. The Irish police and army are in control right up to the border, while vast areas in Northern Ireland remain unpoliced The injustices in the Middle East

will not be overcome by twisting the facts of the European disgrace of Northern Ireland or by implying that the United States in any way gives succor to terrorists of any kind. RICHIE RYAN, Member of the European

Parliament for Dublin.

#### How to Vote

Many Americans who have lived overseas for years do not realize they have the right to vote in November's federal elections for congressmen and schators. Also, many of those who have previously tried to vote from abroad found it hard to register and obtain the absentee ballot.

This year improvements have been made Notably, the State Department has made official a Voter Registration Week" organized by the Associa-tion of Americans Resident Overseas from Sept. 19 to 26 to assaist Ameri-

cans all over the world to vote. Credit for this year's special effort should go. to Henry Valentino, director of the Federal Voting Assistance Program, to the dedicated voting officers at the U.S. Embassy in Paris, and in particular to Mrs. Dean Ferrier, AARO vice-president and chairman of its Committee on Voting Rights.

If Americans want their voices to be heard in Washington they must vote in federal elections. Ballots should be requested now to vote in November: Questions should be ad-dressed to U.S. embassies and consulates or to AARO, which is a Parisbased, nonprofit, nonpartisan public service organization.

STEPHANIE H. SIMONARD, President, AARO.

Letters intended for publication should be addressed to the editor and contain the writer's signature, name and address Brief letters receive priority, and letters may be abridged. We cannot acknowledge all letters, but we value the views of the readers who submit them.

# COMMUNICATIONS TECHNOLOGY

Herald Tribune

SEPTEMBER, 1982

## Europe: The National Approach Wins Out Over Collaboration

By Joel Stratte-McClure

DARIS - European countries are individually formulating political and industrial approache munications in an effort to reverse trade deficits of penetrate the lucrative U.S. and Third World

Their current efforts range from deregulation to incressed protectionism but, despite attempts to aug-ment European collaboration, they maintain a ban-cally chanvinistic posture to develop domestic com-

in the past, Europeans have collaborated in space data communications largely because costs prohiised a nationalistic approach. But they still insist on creating their own computer, military, semiconductor mi telecommunications equipment.

Last month European Community countries creat-

da cooperative fundamental research venture, the Eiropean Strategic Program for Research in Informa-tion Technologies, known as ESPRIT, to focus on sicroelectronics, software technology, advanced in-fernation processing, office automation and comput-giantegrated manufacturing. But there is justified

Pan-Enropean projects are not always successful because of conflicting national programs. The approach by France's Socialist government, for example, emphasizes technological independence in electronics and other high technology sectors.

The Socialists have made electronics one of seven mobilizing programs intended to dictate the country's technical and commercial thrust. They nationalized key companies in the industry — among them Thomson-CSF, Compagnie Générale d'Electricité, Matra and ITT France — and during the next five years will invest 140 billion francs. Fifty percent of this amount is destined for telecommunications and professional electronics, with the remainder split between components, consumer electronics data processing, software, aerospace, office automation and medical electronics.

Although the government contends French companies are autonomous in determining their corporate strategies, many corporate executives have refused to discuss specific orientations prior to the detailed gov-

(Continued on Page 10S)

## Satellite Technology Overtakes Prices, Reaches Consumer Level

By Michael Frenchman ONDON - Go into any yacht

a harbor or marina today and on will more than likely see many raft sporting a small stub mast on heir sterns. Fixed to the top of the nast will be a white plastic cone ooking rather like a futaristic treet lamp. This is a satellite reerving and transmitting aerial point the vessel's position to within a few hundred yards anywhere

Such a device 10 or even five years ago would have been almost unthinkable from a price standpoint But, today, thousands of. small satellite navigation sets, costing in some cases less than \$2,000, are in use. This is one of the more common examples of civilian spin-off from the U.S. military space

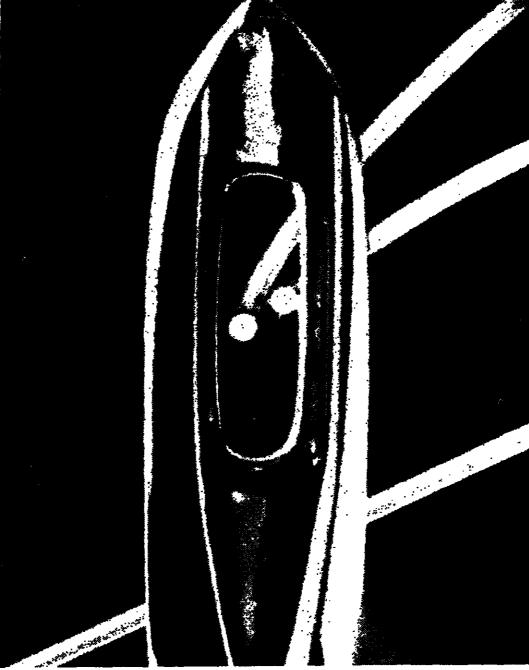
plications, particularly in association with cable television, now form the fastest growing sector in the communications business. Satellites are being used for all kinds of purposes apart from simple voice and vision communications. Scientists and agronomists use them to predict weather changes and crop harvests or as remote sensors for measuring variations in the temperature of the sea or to map possible valuable mineral de-

Rivalry between the United States and the Soviet Union over military "spies in the sky," whose cameras are said to be able to pick out car number plates, has led to an apocryphal story about the inase competition. It is said that on the roof of a CIA building are written the following words in Russian "If you can read this you are at least five years behind." Following the successful launch

of Europe's first orbital test satel-lite (OTS 11) in 1978, the first hesipractical realization of a European communication satellite. This would pave the path away from total dependence on the Intelsat system, which is backed by more than Prime Objective

> In the following year the European Space Agency began an investigation into the long-term fu-

> ture appplication of satellite broadcasting systems using the so-called L-SAT program for the development of larger multi-purpose satellites. Studies have been carried out into the production of suitable hardware for direct-tohome broadcasting. One of the prime objectives has been to adopt commercial competitiveness



A pair of fibers can transmit 2,000 simultaneous telephone calls through the eye of a needle. Here are two forms of fiber - multimode and monomode - going through the eye of a needle. The multimode, with the larger core, is now in use in Britain's communications network. The higher performance monomode, with the smaller core, is not yet in use.

## Fiber Optics Growth Tied to Home Market For Limitless Data

By Bob Hagerty

PARIS — The prospects for fiber optics depend largely on how much data and diversion can be pumped profitably into the home and

For the layman, it is easy to be dazzled by lasers, light-emitting diodes and glass so pure that, according to British Telecom, a block 12 miles thick would be as clear as a windowpane.

But what fiber optics comes down to, said Malcolm Ross, an analyst here for the consulting firm of Arthur D. Little Inc., is "a way of sending a lot of information down a very thin sine."

a lot of information down a very thin pipe."

Fiber optics has potential wherever that capability is needed, Mr. Ross

As a means of carrying telephone signals over crowded trunk lines fiber optic cables have already arrived. The cables — encasing strands of glass thinner than a human hair that carry messages as pulses of light — d, "are not lab curiosities anymore," said a U.S.-based consultant. "They owe are now being used as the best alternative" on major telephone trunk 1-thinse in Newhorth

lines in North America, Europe and Japan. The possibilities of the cables are not limited to telephone signals. As if y an illustration of capacity, British Telecom says a fiber optic cable taking a up one-tenth the space of a copper cable can carry about 10 times as

This means fiber optics can flood the home and office with practically limitless amounts of information and entertainment: A business care send a 500-page legal opinion in a flash to an affiliate on another continent, and a family can summon a movie to its television set whenever it

But the difficulty is in getting the consumer to pay for such services. British Telecom's Prestel information service, carried by standard phone lines, flopped with home subscribers, although it had some success with

Britain, France, West Germany and Japan, among others, are experi-menting with residential fiber optic networks, but the outlook remains

Another question is who will make money on fiber optics. "I'm not sure anyone is going to make big money on this," said John S. Bain, a vice president at the New York brokerage firm of Lehman Brothers Kuhn Loeb Inc. But he admitted that the technology would help lower

costs for telephone companies and other major information carriers. Corning Glass Works, which was instrumental in developing liber optics over the past 15 years and holds patents in the area, should also benefit. So should established telecommunications suppliers around the world. But for such giants, fiber optics is likely to remain a minor field.

In London, a share analyst said that "one looks more closely" at such telecommunications suppliers as Plessey, STC and BICC in view of their fiber optic ventures. But, he added, the technology is not yet a major

One problem for the investors is that the business is spread among so many companies that it is hard to tell whether any is likely to make 2

At any rate, said Mr. Ross, "the money is not really in the glass." Instead, it is in the equipment needed to translate electronic signals into light, and vice versa, at either end of the cable, as well as in the protective wrapper around it, in the labor needed to make, install and maintain the cable, and in the flood of information that can be sent down the

However thinly spread, the market for fiber optic cables and parts like transmitters, receivers and boosters will grow about 40 percent annually in the next several years, according to Gnostic Concepts Inc., a Mento Park, California, consulting firm. Gnostic estimated that the U.S. market, which accounts for about half of the world market, would total \$355 million this year, up from \$1 million in 1975.

#### The Writing on the Wall

Most of the money — about 69 percent, according to Gnostic — is going into telecommunications, where the technology appears to have caused little upheaval among suppliers. Most of the old-line suppliers have adapted their equipment to the needs of fiber optics. "They al! saw the writing on the wall quite a long time ago," commented Ed Grabhorn, an analyst for Arthur D. Little in Cambridge, Massachusetts.

Analysts say, however, that the technology does open the way some smaller companies to supply new parts and services.

Although economies of scale in production have not fully set in, authorities in the major industrial countries are expected to use liber optics

for most new land-based telephone links between major cities and e... ics

(Continued on Page 11S)

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Telecommunications

# Increase in Capacity, Sophistication Aids New Regional Satellite Systems

#### By Robert Bailey

ONDON - The Arab Satellite L Communications Organization's Arabsat voice and television system and Europe's L-SAT are among the dramatic advances the world is going to see in the next few years as satellite systems increase in capacity and sophistication and new regional systems go into orbit in the United States, Europe, the Middle East and the Far

After L-SAT is launched by the European Space Agency's Ariane rocket in 1985 — provided the rocket can overcome its present technical problems — it will be able to directly broadcast up to five television programs from space and channel 125,000 telephone calls, or a mixture of tele-phone, telex and TV traffic. It will not be long before domestic viewers tune into a vast choice of programs, using small home antennas and signal converters.

In the professional field, the possibilities are just as promising. The U.S. Satellite Business Systems consortium is developing a service that will provide corporate headquarters and factories in the eastern and central United States with their own 16.1-foot (4.9meter) dish antennas to receive and transmit their telephone, telex and data traffic via two orbiting satellites. Teleconferences are also going to become commonplace, cutting down on repetitive executive travel.

#### Increased Capacity

Regional satellite systems have been around for some time, but only comparatively recent electronic advances have given satellites increased capacity, and the promise of cheaper launches has encouraged their use.

The first practical use of satellites came in 1965, when the International Telecommunications Satellite Organization's Early Bird and the Soviet Union's Molniya

satellites were launched. Early Bird could handle 240 voice circuits or one television channel - the latest Intelsat V series will offer 12,000 telephone circuits plus two television channels. By 1990, an Intelsat VI series could provide up to 100,000 cir-

As a result of the increase in orbiting satellite power and the abili-

ty of domestic systems to take advantage of directional beams and the higher power, there has been a drop in the size and cost of earth

In domestic systems, earth sta-

earlier this year a teleconference was held between businessmen in Cairo and three U.S. cities.

With the technical concepts now proven, widespread practical application cannot be far off, partic-

vestment in telecommunications.

Arabsat's first satellite is due to

be put into orbit in February 1984.

It is being built by the Ford Aero-

space and Communications Or-

tiale to handle receiving and re-transmitting signals for 8,000 tele-

phone channels, seven televison

channels and one channel for com-

munity television reserved for edu-

cational programs. A second satel-

lite is also scheduled to be

launched and a third will be built

anization and France's Aerospa-

#### 'Countries with large land areas and diverse populations have come to realize the potential of satellite systems...

tions at remote sites can now carry ularly in regions such as the Mid-light traffic, which would have die East, where there is massive inbeen considered unprofitable in

Countries with large land areas and diverse populations have come to realize the potential of satellite systems dedicated to their own regional use. The large increase in telephone, data and broadcasting traffic anticipated in the next 10 to 15 years is leading a number of countries to consider using their own satellites, rather than merely leasing transponders from Intelsat.

Canada was the first country to put domestic satellites into geosynchronous orbit - the technical expression for a satellite moving at the same speed as the earth - with Telesat Canada developing three series of Anik satellites.

In the developing world, In-donesia was quick to exploit space communications with its Palapa system, launched in 1976. Currentbeing upgraded, the system uses two Hughes satellites directed to some 40 earth stations located in Indonesia's 3,000-island archipelago. Every satellite has 12 transponders, each capable of transmitting 300 to 960 voice grade channels.

Palapa is also used by other Association of Southeast Asian Nations member countries lacking their own regional system.

One of the values of satellite. communications is that access can be provided to centralized data and learning systems. In the mid-1970s, daily television broadcasts were beamed to 5,000 remote villages in India using a U.S. National Aeronautics and Space Administration satellite. More extensive communications services have heen available since the launch last April of India's INSAT-1A multipurpose satellite.

The use of satellite technology in business is also growing, and communications traffic between the 22 Arab League members of Arabsat is expected to be eventual-

ly carried via the system, with existing ground systems and Intelsat facilities accommodating other demands. It sounds straightforward - and technically, it probably is but Arabsat will represent a

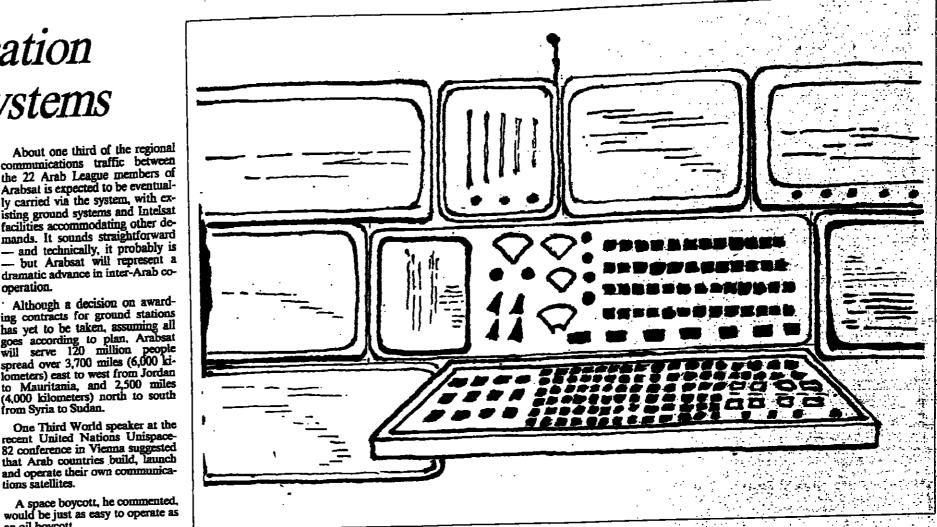
operation.

Although a decision on awarding contracts for ground stations has yet to be taken, assuming all goes according to plan, Arabsat will serve 120 million people spread over 3,700 miles (6,000 kilometers) east to west from Jordan to Mauritania, and 2,500 miles (4,000 kilometers) north to south

One Third World speaker at the recent United Nations Unispace-82 conference in Vienna suggested that Arab countries build, launch and operate their own communications satellites.

from Syria to Sudan.

A space boycott, he commented, would be just as easy to operate as



# Applications Widening as Satellite Technology Brings Prices Down

by the European industry in inter-

national markets. The ESA sees close collaboration with local community users as being of particular importance. The governments of Austria, Beigium, Britain, Canada, Denmark, Italy, the Netherlands, Spain and Switzerland have spent some \$20 million on the project, in which British Aerospace has been acting as the prime contractor for constructing the actual satellites in conjunction with GEC-Marconi.

The OTS 11 was designed to beam signals from Helsinki to Algeria and from Belgrade to Madrid as well as all of Western Europe. Hopes for a far more sophisticated European satellite system were dashed with the ill-fated Ariane rocket, which crashed shortly after launching earlier this month. France, which has the majority 63percent share in ESA built the aunch vehicle, which failed 13 minutes after takeoff from the range in French Guiana. It was

carrying two communication saudlites built by Britain, Marecs B and

Sirio 2. ESA had placed high hopes on the Ariane launch, which cost \$1.2 billion, and plans for the future development of the Eruopean space program will have been put back by about half a year. But, according to some experts, this will not be a too serious delay. The latest Ariane rocket was designed to carry a payload of two tons. Future flights of the rocket vehicle were booked for the next four years.

Other satellites for the ESA will be launched by the reusable NASA space shuttle later this year. However, the shuttle's maximum payload for a satellite is limited to about haif that possible in Ariane for almost the equivalent cost. At present, few countries have alternative options for satellite launch vehicles which are limited to NASA or ESA's Ariane.

This does not include the Soviet Union, which has entered into a number of joint ventures with de-

veloping countries such as India. The Soviet Union in fact first fired the satellite path with the ubiquitous Sputnik back in 1957. This brought to reality the possibility of communication satellites envisaged 12 years earlier by Arthur

C.Clarke, the British engineer.

NASA followed the Soviet Union, with the first practical communication satellite, used to transmit signals from one point to another over a short period. As launch vehicles became more powerful it became possible to put satellites much further out into space

- 22,000 miles - where they remain in permanent or geostation-ary orbit until their useful life expires. Telstar was followed by Intelsat and a whole new range of communication satellites with a capacity of thousands of telephone and television link-ups.

Although many people regard satellites as "unreliable" this is far from the truth. Unhappily, the last few weeks has not been too good as an Indian satellite made by

Ford Aerospace finally stopped transmitting recently, causing a se-rious setback to India's rapidly developing space communications

According to Intelsat, 99.5 percent of satellite time is operative. A reflection of the confidence and effectiveness of their reliability can be gauged from the fact that insurance premiums on satellites are as little as 0.8 to 1.2 percent of the total cost of the project. Marces B, carried by the crashing Ariane, was insured for \$18 million. The sudden surge in the use of

communication satellites is opening up a wide range of opportunities for future developments, many of them associated with cable television, well advanced in the United States but not so in Europe. Satellites have enabled television viewers the world over to simultaneously watch major events like the World Cup soccer or last year's British royal wedding.

Owen Paterson, of Britain's Visnews, believes one of the biggest business applications will be

"videoconferences" on an expanded international scale. With videoconferencing the participants sit-ting in meeting rooms or studios thousands of miles apart can take part in simultaneous discussions via cameras linked to transmitters and satellites projecting perfect color and sound on to giant

screens up to 30 feet wide. "It is all much simpler than most people believe," Mr. Paterson

We have the broadcast capability and the technology today."
Visnews, which has been heavily engaged in international videoconference trials, is about to become one of the first organizations to launch its videoconference system on a global scale.

Mr. Paterson sees other developments in this field, including spe-cialized videoconference studios in business organizations with high definition projection so that real eyeball-to-eyeball discussions can take place on a personal or group

You need this clarity and defi-

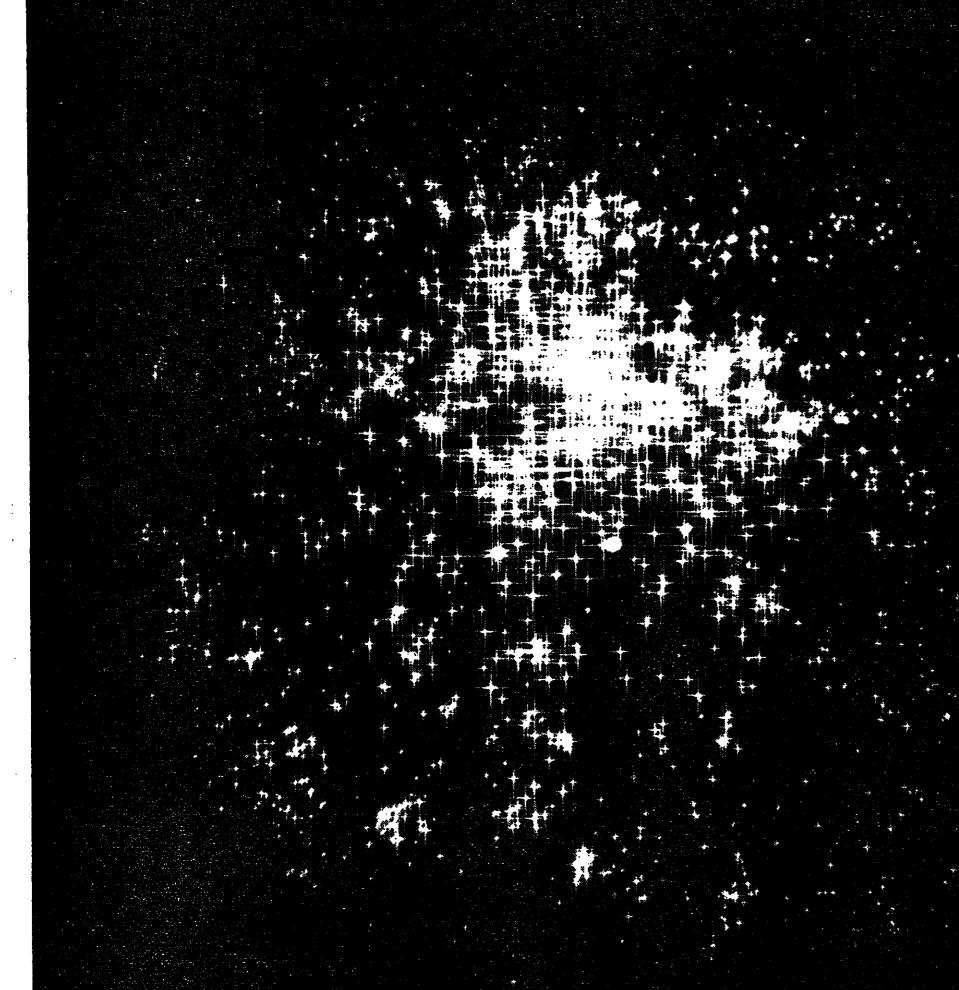
nition so that you can watch the other guy's face to see if he's hising anything when he's talking at you." Mr. Paterson said. "This eyeball to eyeball is very imporThe de

Entertainment and spotting events are two areas that have as ready benefitted from satellite teleision to a liquited extent.

People like Geoff Petts, of Lon don's Satellite Express, one of the world's pioneering satellite television impressarios and consultants believe that in the future a whole new world of entertainment will

Working with Savile Artist last year, he brought the world welterweight boxing championship between Sugar Ray Leonard and Thomas Hearns live from Las Vegas to a packed London cinema. 🚟

Now he sees a whole new range of theatrical and sporting events that could be simultaneously transmitted live to all five coninents, including possibly such items as Broadway opening nights.



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Telecommunication Authority of Singapore.

Gateway will open up a new di-mension for the British user and should mean lower costs if suffi-

Gateway will be able to offer some sophisticated features for the

As part of an additional cam-

aign, British Telecom is negotiat-

ing with a financial institution, which it will not name, to provide

home users in a nationwide

The cost of viewdata has been a

Mr. Fedida said he believed

costs of terminals and other

charges down to a minimum to

noted. You must remember that viewdata and teletext have not

been around for very long.
"After all cable television was

begun more than 20 years ago, and

you only have to look to see how

But services are beginning to read, particularly throughout Europe where there are currently

about a dozen operational systems, according to Carlo Vernimb of the

Speaking at the New York Vi-deotex Exhibition last June, he

said there were about 50 million information frames available on videotext for viewdata systems and

he expected the total number of

public users to reach one million

"Prestel for the People" is a campaign spearheaded by Britain's National Consumer Council to

provide more services for ordinary users as well as to those in busi-

The campaign offers a wide range of social information on le-

gal and welfare rights and general

consumer topics from Prestel sets

No charge is made for using the

trial service, which is funded by

braries and advice centers.

the government.

European Community.

by the end of this year.

we have got with that."

But it all takes a long time," he

help popularize their use.

combination of the two.

Viewdata and teletext are two communications systems using ordinary television sets or monitors...

an in-house or external system or a nary television sets or monitorsed just over 10 years ago by British Post Office research engia, Sam Fedida.

The user can look at pages of nformation on the screen generaldirect banking facilities to 100,000 Viewdata uses telephone lines

and teletext transmits its information with a piggyback signal on top of ordinary commercial television major impediment to mass devel-Viewdata can only be seen on a projects like Gateway and local network services should bring

elevision set that has been specially modified with a decoding device costing about \$175 or else on a viewdata monitor built for the pur-

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3 2 140 Mark

centicki kar

i lo a hearing P. Exe God ing Section Land Teletest can be received on any madeast television receiver. Vicadata is marketed in Britain by Brinsh Telecom as Prestel and, ier a period in the doldrums, is ng rapidly as an interacre information system for busi-

haynes of Cornell University, are oor indexing and, sometimes, in-

dequate information. 2: Because of the cost factor, Brit-esh Telecom has discussed us efforts who the past to attracting the busi-

In spite of considerable investment and promotion, only 18,173 were in use at the end of

But now, British Telescom is taking a leaf out of the West German ischirmient trial Prestel service and has opted for what is becoming known as the Gateway system. This important development monitor to a number of different computerzed databanks that can store millions of items of informa-

This is the alternative to the France has provided free video-trather limiting sources of Prestel text sets to 2,000 households in an-information, which have come other experiment, which provides from commercial information providers who purchase frames from the stock market, weather and agthe operating company and in turn inculture.

Sveriges Radio in Stockholm also does this and the Austrian broadcasting service carries subtitles in foreign languages as well. The United States, unlike Europe, has not fully entered the videotext stakes in spite of concentrated efforts by organizations like

casting Corporation.

Several public broadcasting services provide subtitles for the deaf,

such as Britain's Oracle and Ceefax services on commercial television and the British Broad-

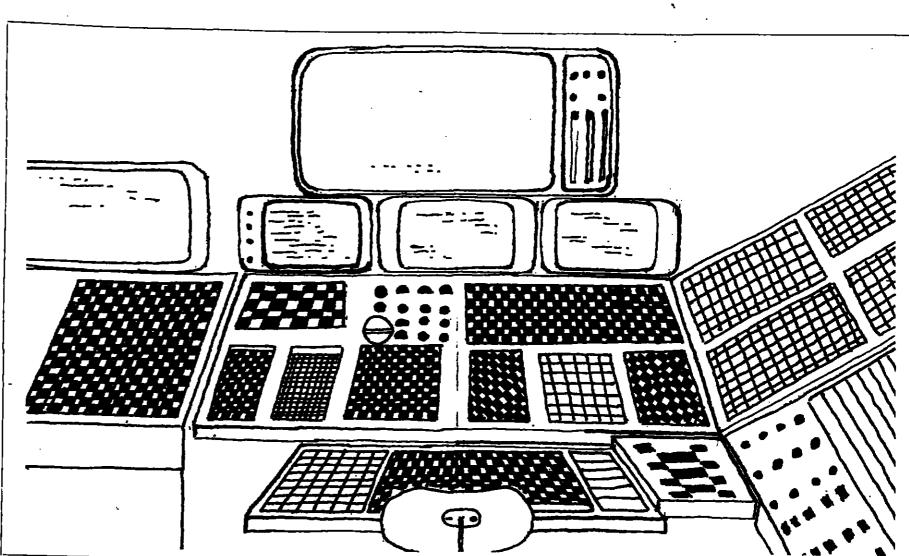
British Telecom to exploit the estimated \$12-billion market said to But facing keen competition from the Canadians and the French, who have both developed their own versions of the British system, Prestel has made some progress in the United States where indigenous hardware devel-

However, the U.S. philosophy seems to find out first what kind of data the consumer needs before deciding on the best method of

opment lags behind that from Eu-

As a result, many of the bestknown information providers like Knight-Ridder, Time Inc., CBS Inc. and Times-Mirror are investing heavily in the software side.

— MICHAEL FRENCHMAN



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#### **WORLDWIDE VIDEOTEXT** DEVELOPMENTS

A brief summary of some of the videotext developments going on in other parts of the world: Australia: ABC has been using the British system for three years

and has introduced advertising. Other experiments are being carried out by commercial stations in Sydney.

Austria: ORF is using British teletext services and the PIT has

adopted Prestel.

Beighan: RTB uses the French Antiope system.

Braza: Brazal has a packaged deal for 2 million Prestel sets from

Canada: The Department of Communications has developed its own Telidon system and Bell Canada's Vista is similar to Pres-

Finland: YLE has been using the British standard teletext since 1977. Because there are about 60 private telephone networks, more than a dozen variations of videotext are being tried out. One of the biggest trials is a joint operation of Telset between government and commercial companies.

France: France has two main services — Antiope and Videotel. West Germany: West Germany is one of the most advanced countries from a software point of view. Both television networks offer reletext and videotext with Prestel and Antiope. The Bild-schirmtext is one of the best videotext services. West Germany also is one of few countries to draft videotext legislation. Hong Kong: Hong Kong is expanding the British Prestel sys-

Japan: Japan has its own Captains system. Language characters

cause development problems.

The Netherlands: British Teletext and Prestel systems are in use. The PIF has its own Viditel service and a publishing group, VNU, claims its viewdafa system was one of the first private services in

ngapore: Uses Prestel.
weden: Sweden was one of the first countries to adopt the Venezuela: Venezuela purchased the Canadian Telidon system to use mainly for social information from public access terminals.

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R.J.RAGGETT is executive editor-international of the U.S. telecommunications publication Telephony.

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# Europe on Verge of Cable Television Revolution; Explosive Growth Expected

#### By Isabel Bass

ONDON - Last year, cable was a wire that engineers laid the ground.

Today, it is replacing diamonds ind computers as the hottest new rea of investment.

This is because Europe is now h the verge of a cable revolution is vast and far-ranging as the one a the United States, and the coming years promise an explosive rowth in the facilities offered to urope's more than 250 million devision viewers.

As the anticipated deregulation egins, Europeans should be able o use their television sets for evrything from voting and electronbanking to fire and burglar larms, and the new channels to be ffered will provide a plethora of rograms to the Continent, which as up to now been served almost xclusively state-controlled fare.

Technical terms, such as minitar nets and tree-configured sysems or coaxial and fiber optics, ire now steeped in political and fiuancial innuendos as cable enters

bese arenas. Nevertheless, cable is still simally a wire connecting a center point and a home or office and able systems are not new.

There are an estimated 600,000 operational networks in Europe, erving 25 million households. Finland aiready has a 6-channel able and pay system with a 12-

channel capacity in operation. But the networks, most of which are fairly small, were built to provide better reception of broadcast programs and are controlled by

In the densely cabled Netherands, for example, more than hree-quarters of all cable TV nomes are in networks of less than 500, administered by cable operafors but effectively controlled by the state postal system.

But Europeans, from govern-ment officials and industrialists to ordinary viewers, seems to have realized the tremendous potential that multichannel communications

"The whole environment has moved full circle," noted Patrick Whitten of the British market research company CTT Research,

"Governments are putting forward recommendations for new services," added Barbara Lodge of Satellite TV, Ltd., Europe's vanguard independent ad-carrying TV service beamed from space to

Nowhere is the change in atti-

tude more evident than in Britain. which is now racing to get wired

The eagerly awaited government report is now expected not only to give the go-ahead to multichannel cable TV in Britain but also to urge its speedy introduction.

For some here, the £2.5 billion scheme - which the minister for information technology, Kenneth Baker, compared to the building of railways in Victorian Britain represents a major stimulus to the British industry

Earlier this month, Racal Electronics announced plans to supply equipment and distribute programs for the whole of Europe one of the first firms seeking to conquer world markets with infor-

mation technology products.

Other possible beneficiaries here include construction companies such as Rediffusion, fiber optic manufacturers such as BICC and GEC, and owners of franchises for Britain's current cable experiment stations such as Thorn EMI and Rediffusion.

The British governments' undering assumption seems to be that initial investment outlay of £300 for wiring up a house here can be recouped by adopting the pay-TV system, which means getting the public to pay for new entertainment programs,

This is a financing argument prevalent throughout Europe, with France, Switzerland, the Netherlands and most other European countries announcing or preparing to announce coming pay-TV ser-

"These are seen to hold the only prospect of attracting funds on a scale required to finance national broadband cable networks," said Mr. Whitten, who heads CIT's forthcoming West Europe cable

One snag is that European viewers may be neither as eager nor as able as their U.S. counterparts to pay for more entertain-

This is because the video boom has already provided entertain-ment enthusiasts with an easily accessible library of Hollywood material, and the cost of mandatory television licenses such as in Britain are considered enough of a dent in the household budget.

The major hitch in what is

hoped will be the explosive growth of channels serving Europe is that it might be rejected by the public. It takes more than investment money to convince people to pur-

#### **Numbers of Subscribers to Cable TV Systems**

Country	Number of Subscribers 31.12.1981	Penetration % of homes	Number of Subscribers 31.12.1972		Remarks
Argentina	Not Known	-	10,000		
	250.000	2,5°	-	٠.	
Austria	2.410.000	87,3*	327.473		About 45 Systems
Belgium	4,050.000	53 -	1.398.469		
Canada		35-	,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,		•
<b>.</b> .	(31.12.1979) 800.000	50 - *	•		
Denmark		30 -	10%	:	About 60 Systems
Finland	152.000			٠.	(Helsinki: 72.000)
France	Not Known		80,000	:	Several Thousand in Small Sys-
Ireland	166.000	23 -	-		tems (Metz)
Germany (Fed. Rep.)	6,600,000	35 -	-		
Luxembourg	65.000	50 -	6.053		•
The Netherlands	2.100.000	66 -	50.000		
Norway	250.000 **	23 - *	-		·
Sweden	1.400.000 **	46 - *	-		
Switzerland	1.000.000	<b>5</b> 0 -	75,000	•	A.S.E.A.
Britain	. 2.640.000	14 - *	1.800.000		
ar ildu:	(31.12.1979)				•
United States	23.220.000	25 -	6.085.532		About 4.600 Systems

: % of licenced TV sets

\* : Council of Europe figures (31.12.1977) - (MM-ME (78) 3)

(Nov. 1981)

Origin of figures: ATA, RTD, ACTC, Heisinki Cable T.V., CTA, Coditel, VBCAI, ASEAC, NCTA, Kabel TV Vienna, Council of Europe. mational Alliance for Distribution by WIA.

nearly a year now, some Londoners have had the possibility of signing up for Showcable, an experimental pay-TV service covering part of the London area.

In spite of door-to-door campaigns, only 30 percent of existing cable subscribers joined, and hard-

times of economic recession. For wooed into being wired up. Shownearly a year now, some London-cable's director, Allan Hill, explained that prospective subscribers found it hard to fork up the roughly £10 a month plus £25 connection fee.

A major task, he said, would be to educate people about cable. Such results have contributed to

fact, the feeling is spreading here that there will be few quick killings in the field despite the govern-ment's enthusiastic attitude. Still, the unexpected explosion on interest continues. Governments are beginning to see the political mileage that cable can bring. Bankers are

creative financing open up as regulatory issues are hammered out. And broadcasters are realizing that cable might help them replenish their fast-croding funds. The only element apparently lacking for the growth of cable TV in Europe seems to be the consumer, who will

## France Begins Experiment With 'Viseophone' System

BIARRITZ, France — Around the middle of next year, French telephone authorities hope that people here will begin stowing their telephones in the closet.

Instead of using those humdrum instruments, the officials hope selected customers will employ their new picture-phones - or, to use the term the French are promoting, "viscophones."

The viscophones are the most exotic part of the "wired city" experiment France is conducting here as a showcase of its fiber optic equipment and a test of what kind of services people will pay Beginning in mid-1983, 1,500 subscribers, mostly households

are to be connected to a network of fiber optic cables providing viseophone service, high fidelity sound, cable television and the chance to order films and a variety of other shows from a bank of The viscophones, made by Thomson-CSF and Societé, And

nyme de Télécommunications, combine a telephone with a 10 inch color screen for viewing the other party, and a videotex transnal that can be used to summon information from a distant case As a precaution against breakdowns, old telephones will remain

in the subscribers' homes, but officials hope the standard phones will be kept out of reach to encourage use of the viscophonic People in France definitely want more TV programs, says Jean-José Wanègne, a marketing official for the French Telecommunications Authority. What other services they will pay for is harder

The charges to customers will not reflect the full cost of the system, which will be far too high to be profitable on such a small; scale, but Mr. Wanegue says the trial will give some indication of

the demand for various services. French officials say they chose this Atlantic coast resort of about 30,000 year-round inhabitants because it is about the right size for such a trial and because the hilly terrain makes it hard for

certain parts of the town to get good TV reception. Authorities in West Germany, Japan and Britain also are test-ing fiber optic networks for home subscribers, but French officials: say theirs is the largest experiment.

-BOB HAGERTY

# Europe: The Nationalistic Approach Wins Out Over Collaboration

(Continued from Page 7S)

erument plan that is expected to be released over the course of the next

#### Turnover Increases

The French electronics industry increased its turnover by 16 percent to 83.2 billion francs in 1981, with exports accounting for 32.3 billion francs — but there is a trou-blesome trade deficit of 1 billion francs. Although the French have a strong base in professional electronics and telecommunications, imports exceed exports for active passive components; radio chase new products -- especially in and television; hi-fi and stereo

trol equipment and automation, computer and office machine equipment. The French goal is to export 50 percent of their electronic equipment by 1985 and reduce the trade imbalance with the United States and Japan.

The previous French government established a strong telecommunications industry and the French are completing an advanced digital telecommunications network. They have a technical lead in areas such as digital switching, public packet networks and new telematique products and have defined some international stand-

sets; test, measurements and con- ards and protocols. At the same time, despite numerous efforts, they have failed to produce an internationally competitive computer components or instrumenta-

> There is a substantial difference in the Socialist approach to communications. The last government, for example, planned to give everyone in France an electronic directory to replace expensive paper directories. While this idea is now portrayed as dictatorial, it solved the formidable problem of getting a multipurpose terminal to the consumer and provided the production capacity to penetrate ex-

port markets. The Socialists want to give the consumer the right to choose either directory, which will substantially reduce the production volume

The Socialists also want to be more "democratic" in their approach to exports. A code of conduct is being formulated by the government to govern trade deals with developing countries. Presumably companies exporting communications equipment will be asked to take a more egalitarian ap-proach — taking technical require-ments and financial means of the purchaser into consideration rather than just the bottom line.

"The user is extremely important and, although we won't alter our thrust into digital communications, the key to development is voluntary participation in our programs," said Jacques Dondoux, director general for telecommunications, noting that the French will introduce itemized telephone bills and smaller paper directories because of user demand. "We must reduce the cost of equipment to provide reasonably priced telecommunications networks to the devel-

oping countries which represent

the future growth market." The Socialists are also increasing their public research and devel-

nually until 1985 and laboratorie concentrating on electronics are expected to get a large slice. Training "through research" will b stressed to remedy the lack of engineers. In addition, nationalized companies are required by a law passed July 15 to increase their research and development budgets by 10 percent and private compames by 6 percent.

There will be an increased effort by public organizations, such as the Agence de l'Informatique (data-processing agency) to in-crease computerization of France (Continued on Page 12S)

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# Demand Outstrips Capacity Of Cable TV Systems in U.S.

By Terry Gross

NEW YORK — U.S. cable television executives are discovering that the recent growth of their industry, which was so as-gounding that even they were surprised, is going to be a tough

act to follow.

From being what one observer called the hottest ticket in Media-ville, cable television now faces a mimber of problems, most of them Cable's revenues totaled \$3.3

billion in 1981, and analysis expect that to climb to about \$4.4 billion this year. Cable, now 4,772 differthis year. Lame, now 277 million ent systems, connects 28 million households in the United States million out of a total of about 85 million with television sets. New sub-scribers are being added at a rate of 250,000 to 300,000 a month. At that clip, by 1985 cable will reach nearly half the homes with television in the United States. New subscribers are not the prob-

Cable has received so much publicity that almost everywhere does not now penetrate, it is eagerive waited. No wonder, considering what is available.

Services Offered

At a bare minimum, a cable salesman can knock on any door in any town and offer at least some of the following basic programs of the following basic programs wices: Cable News Network and a number of others providing news -BORROW 24 hours a day; ESPN, 24 hours a day of sports; Financial News Network; ARTS; The Weather-Channel; Nickelodeon, a 13-houra day service for young people; Black Entertainment TV; SIN Television Network, Spanish-language programming, National Jewish Television; Christian Broadcasting Service; Eternal Word TV Network, and about 30

in addition, and for a little more in anonou, and the viewers can get Home Box Office or The Movis channel, both reaching in movies; Shownime; Superfights of the Month, Escapade/Playboy and Eros, featuring adult entertainment, and a number of others. New programming is not the

problem either. Perhaps a dozen of the 47 services now available have begun └── 李章 this year.

The industry's problems fall into three categories: Cost, competiton and customer service.

In addition to the ever-increas-ing cost of building new cable sys-tems, the industry is equipmentdependent, and new equipment is expensive.

Large costs entail large debts. and high interest rates have proved painful for the cable industry. "Cable is in a very expansionist period," said Mara Miesnicks, an

alyst who follows the industry for Smith Barney, Harris Upham.
"As a result, earnings of most of the companies have been de-

She said that "many companies showed 40 to 50 percent growth until last year," and added that right now it is a question of "when profitability is going to catch up with subscribers."

"Any of these companies, if they cut off capital spending, could turn on the cash-flow faucet imme-

diately," she said.

Most, however, are committed to major building projects.

For example, Cox Communica

tions Inc., which operates Cox Cable Communications, the fourth-largest cable supplier in the United States, currently is developing systems in New Orleans, Louisiana; Tucson, Arizona; Li-bertyville, Illinois; Michigan City, Indiana; Great Neck, New York, and Vancouver, Washington.

The company's cable assets equipment, etc. — surpassed its television broadcasting assets in 1977, and grew about 25 percent in 1978, 33 percent in 1979, 36 per-cent in 1980 and a whopping 55 percent last year.

In addition, Cox's capital spending increased by almost 50 percent in 1980 and 83 percent last year to \$141 million.

With industry construction costs rising all the time — sometimes exceeding \$1,000 each new subscriber - and systems taking longer and longer to build, the amount of new cash needed is enormous.

Franchised Operations

Cable also is a franchised operation; each municipality grants a franchise for someone to come in and wire the town or city for cable. To win the franchises, cable operators have to pay an annual fee that cuts 5 percent off the top of their income and also have to provide whatever the municipality deems to be the going amount of commu-Il into nity service — free access channels etiton for the people, intergovernmental video bookups, production faciliAs a result, some cable compa-

nies are walking away from lucrative areas Warner Amax and Time Inc.'s

American Television and Commupications both refused to submit bids for the Sacramento, California. franchise because of a clause in the agreement that would allow the city to buy the system after 15 years at book, rather than market,

**Growing Competition** 

Cable operators say that higher construction costs and interest rates, combined with lower revenues because of the franchise obligations and fees, means less money

to fight growing competition.
"We have gone from a period when there was television only to the so-called Buck Rogers era in which cable was conjured up as the only delivery method," said Ed Dooley of the National Cable Television Association in Wash-

Then suddenly came the com-

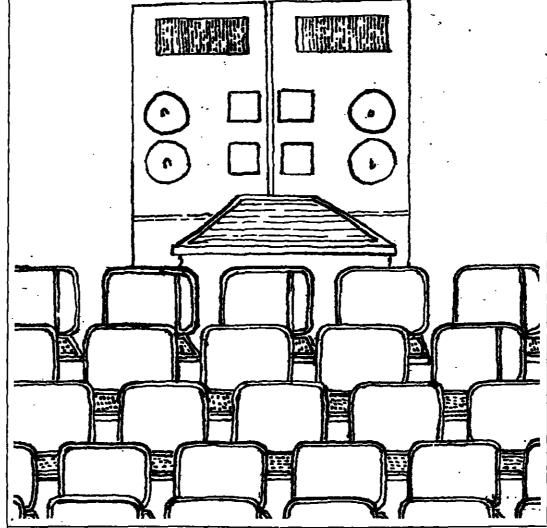
Cable was making so much money, it was just a question of time before competing delivery systems, new ways of getting the entertainment and information to the television set, would emerge. "The general view in the market-

place is that cable is under attack," Mr. Dooley said. The attackers sound like an al-

phabet soup — STV, SMATV, MDS, DBS and LPTV. Quickly defined: STV (subscrip-

tion television) beams a single program signal from a broadcast television station via a satellite to homes in a much larger region than is available to normal broadcasters; SMATV (satellite master antenna television) operators put dish antennas on the roofs of large apartment complexes, capture a variety of movie and sports chan-nels and sell them to the residents in the complex; MDS (multipoint distribution system) delivers signals over the land via microwave relays rather than cable: DBS (direct broadcast satellite) sends program material directly from a satellite; and LPTV (low-power television) sends pay programs over

They all have one thing in common: They want a bite out of cable's market. Not all of them are operational



but industry observers agree they will all find a niche in the

Most said that niche would eventually settle at 20 percent of the United States that cable will never reach because of inaccesibili-

"In 1992," Mr. Dooley said, "you'll see an industry [cable] that emerges as the major delivery sys-tem sharing the market with DBS, STV and the rest."

Customer Dissatisfaction The last of the industry's three big problems, and the one that will

only get bigger as cable grows, is customer dissatisfaction. "As a result of the tremendous growth that we've had," said Da-

vid Anderson of Cox Cable, "there hasn't been enough attention to customer service and mainte-

What has tended to occur is that a cable system was put in place, sold and a small office handled the operation.

There has been little maintenance and few people are there to answer complaint calls. The computers that do the billing have not caught up with the

many new program services being offered and to complicate matters, in most cases all the bills are sent out at the same time each month. Billing errors mean telephone

calls to the office. Because of the billing method,

all those calls come in at once.
"We realize this is the case," Mr.
Anderson said. "And as a result, we're doing more." Despite the growing pains, cable's future looks bright in the

United States. Jim Fannan of United Cable.

the Colorado-based operator of 39 systems totaling 500,000 sub-scribers, said: "We do expect substantial, sustained growth over the next few years."

"It is, in a way, in its formative stages," said Ed Dunleavy, who follows a number of cable companies for Salomon Brothers. "Technology doesn't seem to be

catching up with man's imagina-tion yet." But echoing a general sentiment, he added, "On a longer term basis, I'm very positive on the industry.

Said Mr. Dooley of NCTA:
"Cable is the only unlimited spectrum [for programming]. It is the only service free of interference. People don't really care how they're getting the programs. What they really care about is a clear signal and whether they get what they

## Fiber Optics Growth Tied to Home Market

changes. Aside from being lighter and thinner, fiber optic cables provide in better signal and need fewer repeaters to nudge the signal down the

But fiber optics will not have the field to itself, and depending on the project, satellites, microwaves or copper cable can offer lower costs.

When a new trans-Atlantic cable is installed around 1988, however, when a new trans-Atlantic cable is installed around 1988, however, but one optics will almost certainly be the choice. Several companies, notable STC also make the choice. bly STC, the British unit of International Telephone & Telegraph Corp., er are refining their submarine offerings in anticipation of such orders.

In July, British Telecom opened a 127-mile (204-kilometer) fiber optic a link between London and Birmingham, hailing it as the world's longest.

BT predicts that by 1990, about half of British's 12,500 miles of trunk

telephone circuits will have been rewired with fiber optics. In the biggest U.S. fiber optic project, American Telephone & Telegraph Co. is installing the cables along the dense corridor between Bos-

ton and Washington. To supply such projects with cable, major companies are teaming up. In the United States, Siemens AG of West Germany and Corning, Philips N.V. of the Netherlands and M/A-Com Inc., and L.M. Ericsson of Sweden and Anaconda — a unit of Atlantic Richfield Co. — have

formed joint ventures to produce cable. In Wales, BICC is producing cable in cooperation with Corning.

Difficulties for Japanese The Japanese do not intend to be left out. Sumitomo Electric Industries Ltd. said it may set up a joint venture in the United States to produce fiber optic cable. Without a U.S. plant, the company might find it difficult to win major telecommunications orders because political ssures to develop the technology at home are strong.

Last December, Fujitsu Ltd. complained that such pressures prevented it from winning a \$75-million order for part of the Boston-Washing-

The Japanese company said it made the lower bid, but AT&T gave the Af contract to its Western Electric subsidiary, citing "public interest."

The military is probably the biggest market for fiber optics outside of telecommunications. In aircraft, for example, fiber optic wiring offers advantages because it is light and immune from electromagnetic interfer-

Among other uses believed likely to grow are linking big computers, wiring industrial control equipment and transmitting cable TV.

Although the big telephone projects are likely to go to established an suppliers, short-range networks for business and industry offer "quite a egilot of room" for new companies to innovate, says David Flint, a consultant at the London firm of Butler Cox & Partners.

One company pursuing that market is Hylran Products, a unit of Pilkington P.E. of Britain. Hylran, which supplies cables and accompanying electronic devices, says sales will total only £750,000 in 1982 but are likely to grow about 75 percent annually over the next few years.

Another British company using fiber optics is Mercury Communications Ltd., jointly owned by Cable & Wireless Ltd., the British Petroleum Co. and Barclay's Merchant Bank. Mercury plans to lay fiber optic cables along British Rail tracks as part of its phone and data transmission network, a project that will compete with British Telecom for busi-

When, or whether, fiber optic cables will branch into the home is something most analysts decline to predict.

Wiring up homes with fiber optics would create an enormous market,

but present networks are adequate for carrying phone signals and televi-Most analysts say fiber optics will be economical only if a big home

market develops for computerized shopping and banking, picture-phones, or services allowing people to tell their TV sets what program or information to send next. Will demand be high and costs low enough for such services? Yes, says

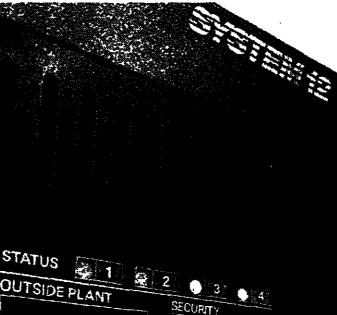
Frank Dixon, an analyst at Gnostic who sees the home market as the fastest growth area for fiber optics in the 1990s.

Other analysts have their doubts that people will pay for a deluge of ica information and entertainment, but Mr. Dixon insists: "This is not just or blue sky. A lot of people are betting on it."

# Since this of the future, the future must de here.

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Deutsche Bundespost recently installed it for a trial run in the cities of Stuttgart and Heilbronn.

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·First, because more and more countries are recognizing that System 12—with its fully digital switch—is the way all telephone systems will be one day.

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One reason why over 2,250,000 equivalent lines have been ordered or installed in countries around the world.

Countries like Belgium, Germany, and Mexico, who don't think they should have to wait for the future.

Not when it's already here.

# -COMMUNICATIONS TECHNOLOGY-

# World Telephone Systems: Toward an Integrated Switched Digital Network

By R.J.Raggett

ONDON - As computer and communications technologies converge, the conversion of the world's telecommunications network toward a fully integrated switched digital network will play an important role in the formation of a comprehensive information

Such an information system will enable society to effectively and comprehensively obtain whatever tional industrial production.

social and individual functions and will have even more dramatic effects on society as a whole than those created from the technologies of the industrial revolution.

It will move the industrialized societies of the developed world into the new post-industrial era of the information society, where the production of information plays a more important role than conven-

The computer, in the form of the microprocessor, has made it possible to process and store, at an ever diminishing cost, vast amounts of complex information that could not be handled by conventional

And the development of the microelectronic silicon chip has opened the way for the combination of computer and communications technologies.

The conversion of the world's

its 500 million telephones, toward a fully integrated switched digital network in which any form of information - voice, data, images or color pictures — can be represented and passed through the network in the form of groups of coded di-gital pulses is the next step.

After just a dozen years, the realizable goal now exists for the creation of a network on which voice and all conceivable non-

telecommunications network, with voice services will share common switching and transmission facilities and do so in a cost-effective

> The world's first telephone switch operating in this digital rather than traditional analog mode went into service in 1970 in the town of Lannion in France. The switch was developed by the French company CIT-Alcatel, which, amid much international scepticism, took the brave step to launch its new E-10 exchange while the rest of the world was in the early phases of analyzing the and economic implications of this technology of the fu-

To get some idea of how early the French were, it was not until January 1976 that the Bell System's first digital switch went into service in the United States (the No. 4 ESS) and not until May 1979 that Nippon Electric of Japan installed its first NEAX 61 di-

gital exchange.
Even now, although they would rightly claim that their technology is more advanced than the original E-10, major telecommunications companies like Siemens AG of West Germany and the British companies involved in the System X switch development have only been installing digital switches within the last 18 months.

Many Advantages

The advantages of digital switching in conjunction with digital transmission are no longer de-

With the exception of the local subscriber switches, capital costs are on a par or lower than analog switches and, because maintenance costs are much lower, digital switches provide a much more attractive life cycle cost figure.

Digital switches also require far less space per line than electro-mechanical equipment — about 250 racks of conventional crossbar equipment can be replaced by just 15 racks of its digital counterpart. Maintenance is simplified.

Besides being able to integrate services, digital switches allow for a new range of subscriber services.

The subscriber benefits by an improved standard and quality of service, as well as by speedier service as there is no switching delay in the exchange.
But it is not just a simple pro-

cess of out with the old and in with

Telecommunications administrations have a massive investment in analog technology and although a large number of them are now firmly committed to "going digi-tal," the cost of modernization, while at the same time meeting demands for new lines and services, is extremely high. British Telecom, for example, is investing about \$3.4 billion a year in modernizing and expanding its network, but even so, its network still will have

**Major Problems** 

There are also major problems for the manufacturers.

Even with the new component technology, the development of a digital switch has proved a very difficult process, particularly in the area of software for computers. It was recently estimated by Phi-lips that a complete range of digital switches requires an estimated 5,000 man-years of development

Since standards vary from country to country, adaptation of the exchange for foreign markets to-

gether with software support dur-

work or an investment of about

ing the life of the equipment demands another \$450 million.

By the time the capital cost is added, each system developed costs about \$1.8 billion.

This means the money to be made on each line of equipment sold, simply to cover development costs, has become 400 to 500 percent greater than with electromechanical equipment.

This, inevitably, requires that more lines be sold during the economic life of the system.

But, at the same time, technology now is advancing more rapidly, so that the economic life of each system is reduced.

In Europe, for example, no one manufacturer has a home market large enough to cover an initial cost of this magnitude without imposing unreasonably large tariffs

So, export orders must be won in competition not only among the Europeans, but also the United States and Japan.

Add to this the complication of buying into markets by some companies in the belief that once their system is accepted it will result in antomatic followers business and a description of the sum of ness, and a degree of governmental support for the companies of some countries, and it can be seen that it, is a very difficult market in which

The insistence by many Third World governments that contracts for digital switching equipment include a partnership with a local company and full local manufac-ture is an additional complication for Western manufacturers.

Ordering Systems A further peculiarity of the digital switching business is the apparent willingness of customers to order systems still in development and often several years away from production.

As a result, lines on order greatly exceed those actually installed by most companies and, in some cases, lines on order never get in-

However, this peculiarity has become a way of life in the business, and the ope notable group that has consistently refused to sell on this basis, the British companies in-

volved with System X, so far have achieved no export business.

Now that the System X switch is installed and operating successfully in Britain, the suppliers are confident enough to quote for export orders, they find that many potential customers already have committed to other suppliers, some of whose systems still have to be proven operationally.

There is a further complication in quoting figures of lines ordered as it is possible to argue that some digital exchanges are not fully digital since, generally for economic reasons, they contain some analog elements such as, for example, reed relay subscriber switches.

It also is difficult, in some cases, to determine whether or not some orders are firm contracts or simply expectations of business from a committed administration.

Lines on Order

Without entering this debate, there is no doubt that by far the most successful company to date has been CIT-Alcatel

It has 3,222,460 lines in service 2,757,280 in France and 465,180 in other countries.

The other major French company, Thomson-CSF, which began development work on its MT range of switches in 1977; has received orders for 3.6 million lines, including the 600,000 lines destined for countries outside

To date only a small percentage of these lines have been installed. Most successful in terms of export business is the Swedish company L.M. Ericsson, in partnership with Philips, which scored a notable success with its winning and implementation of the massive expansion and modernization of the switching equipment in Saudi Ara-

Among other European compa-es, Siemens of West Germany has orders for about 600,000 lines of its EWSD equipment and has just completed the installation of four trial exchanges in Germany prior to an expected serial production order from the German Bundespost in 1984. The Bundespost also is evaluat-

ing exchanges supplied by Philips (PR, XD) and ITT (System 12) be-

fore committing itself to the adoption of one or more systems.

In Britain, British Telecom has ordered 22 System X exchanges, with further substantial orders due over the next few years, while in the United States, Western Electric continues its major production program for the Bell System

AT &F International elso is establishing itself capidly in many parts of the world and is likely to be a major competitor against the Europeans and Japanese.

Northern Telecom of Canada has achieved an estimated order level of about 52 million lines. while the leading Ispanese sup-plier, NEC, has orders of nearly 4

Of the remainder, TTT, selling its System 12 exchange through its multinational organization, has estimated orders in cases of I mil-lion lines, approximately the same level of business as its fellow-U.S. company GTE.

Of course, digital switching will not be of full benefit to the user until the whole digitalization pro-cess has been completed.

However, as digital exchanges are installed, there will be progres-sively better service with higher

quality connections. - ... There will be a degree of verbal

guidance from some exchanges with an ever-increasing range of nser services.

Call storage will come and, toward the end of the century, a range of useful visual services.

The main technical problems left to be solved are economic.
There are few actual technical problems that have not been solved in some way, but many of the solutions remain too expensive.

There will be casualties among the manufacturers. One, TRW Vi-dar of the United States already has disappeared, and the market certainly will not support the number of companies currently in the Politics, too, will play its part in

determining the speed and degree of implementation of digital technology, but the ball already is rolling too quickly for the inevitable evolution of information technolo-

## Europeans Opt for Nationalistic Approach To Developing Communications Industries

terest. The nationalization of the

International Telephone and Telegraph Corp.'s French subsidiary, CGCT, has virtually cut ties with

the parent company and the gov-

up a marketing operation in the United States between Thomson-

CSF and Continental Telephone

(Continued from Page 10S)

and the World Center for Computer Sciences and Human Resources has launched a number of programs involving personal computers. The latter, employing a number of scientists from the Massachusetts Institute of Technology, has been called "a stalking horse for the French electronics industry" by one U.S. senator. Two laboratories in Grenoble, the CNET and the LETI, will be the center of microelectronics development.

The major question in France at the moment is the ongoing reorg-anization of the country's components, computer and communications manufacturers, CIT-Alcatel and Thomson-CSF will remain the important industrial poles in telecommunications; Honeywell Bull will be the foundation of the computer industry and the industrial structure of other

sectors is slowly being defined at a pace that is delighting French competitors. Within the country there is likely to be an even greater

insistence to "buy French."

good but if some of their compa-

**Foreign Participation** Some foreign companies are at

tempting to participate in national programs and protect their market shares — gambling on a pragmatic approach. But the French governent recently refused to allow Apple to locate its European software headquarters in Paris because they wanted a facility to produce the hardware. Most observers expect heightened nationalistic tendencies unless the technology gap forces the French to come to terms with American companies, particularly in the area of integrated circuits.

"The French concepts are very-

Foreign firms are watching the nies aren't competitive on an inter-french movements with great in-national level in two years the govnational level in two years the gov-ernment will be faced with endless expenditures," predicts Barry Cox, vice president and general manager of Intel Europe.

The ambitious French approach so calls for increased En cooperation but most of the man power and funds will obviously be spent on the national programs. However, suggested Mr. Dondoux. perhaps we can use the rouse. TIT subsidiary as a foundation for pan-Europeau telecommunica-

tion company."
The United Nations designated 1983 as World Communications Year, but it appears that nationalistic attitudes will prevail in Europeans

preventing the Europeans from competing in unison with the large production runs and product standards that permit competivite prices. Although it will be difficult for European countries to each es-tablish their desired technological independence, this costly approach, influenced by the exagerated example of the French, will continue to be the trend.

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INTERNATIONAL HERALD TRIBUNE, THURSDAY, SEPTEMBER 23, 1982

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# The Selling of 'Artificial Intelligence'

gineering was commercialized a

Professor Schank, for instance,

formed Cognitive Systems, which will sell natural language systems.

It is designing a system for oil companies that will retrieve infor-

mation on oil wells using plain English commands. Professor

Schank plans to develop computer programs that can do such things

Edward A. Feigenbaum, a com-

puter science professor at Stanford

University, has co-founded two

companies - Intelligenetics,

which aims to apply artificial intel-

ligence to genetic engineering and Teknowledge Inc., which designs expert systems for other companies. Teknowledge is designing a system for Elf-Aquitaine, the

French national oil company, to

diagnose why a drilling bit gets

Such university spinoffs have led to strains. The staff of the AI

laboratory at the Massachusetts

Institute of Technology was deci-

mated in 1980 when more than a

dozen researchers left to form

Symbolics. The company sells

computers designed for artificial

intelligence that the researchers de-

veloped while at MIT. The only

two staff research people who did not join Symbolics left MIT to

form Lisp Machine, a competing

**Next Generation** 

"We took so many that it's going to take years for MIT to build back up," conceded Russell Noftsker, president of Symbolics

and former director of the artificial

Marvin Minsky, an MIT profes-

sor who is considered a founding

father of artificial intelligence,

buy the machines they had a hand

in designing." He also fears that

universities will lack resources to

develop the next generation of ma-

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ew years ago.

By Andrew Pollack Ven York: Times Service NEW YORK — Artificial intel-

ligence, the science of making computers "think," has long been the preserve of theoreticians who were little concerned with When they said real things

when they said real things, they meant computers that can play thess," said Roger Schank, chairman of the computer science department at Yale University, "They were not going to talk to Wall Street, let alone own a snit."

Now, however, business is tak-ing an interest in artificial intellince, known as AI, and some professors, such as Professor Schank are forming or joining companies
to capitalize on the expected boom. But the new move toward commercialization is disrupting the academic community and pro-voking fears that university research will be hurt.

Some researchers welcome the business interest. Others, however. complain that corporations are outbidding campuses for scarce personnel, and that work is being diverted from long-term research to short-term problems with immediate application. They also say scientists are becoming more reluctant to share research results.

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"We perceive there's a real potential for the existing quality of Al research to diminish." Ron Olander, who coordinates such research for the U.S. Defense Department's Advanced Research Projects Agency, said during a panel discussion at the National Conference on Artificial Intelligence in Pittsburgh last month

Artificial intelligence is con-- cerned with making computers do things that are said to require intelfigence when people do them. Commercial interest is centered on four areas:

· Vision systems, which would allow computers to interpret satellite photographs and allow industrial robots to identify objects coming down the assembly line. Natural language systems

which allow people who do not विशास्त्र महत्त्व know computer languages to get information out of computer storage by asking for it in plain Fig-

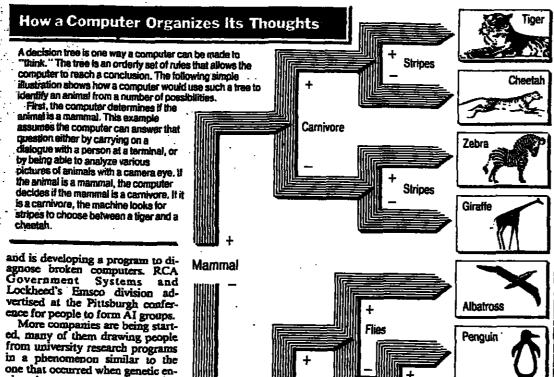
Expert systems, or computer programs that mimic the behavior of human experts and can do such dings as diagnose diseases and intoo casts his 4, terpret geological data in exploring

 Equipment and programs used by AI researchers themselves. Xerox and two new companies, Symbolics Inc. and Lisp Machine Inc., sell computers especially de-signed to handle Lisp, the pro-gramming language used by artifi-

cial intelligence researchers.
Several large companies such as
Schlumberger, Hewiett-Packard,
Digital Equipment and Texas Instruments have formed artificial intelligence research groups to design products for internal use and

Schlumberger, for instance, hopes to have expert systems interpreting data from logs of oil wells.

Digital uses an expert system to develop help package computer systems chines.



Ostrich

The commercial activity might have some benefit for universities, however. If artificial intelligence is considered commercially import-ant, corporations might finance university research. Carnegie-Mellon University has signed on several corporate sponsors for its robotics laboratory.

Also, the rise of the companies might make it easier for people who want to concentrate on basic research, because pressure from government sponsors for practical results would be eased.

#### Different Cultures

Some of the uneasiness in the university community stems from a difference in cultures. Academic researchers consider products coming out on the market as unsophisticated and oversold.

"I don't think they have any-thing to do with artificial intelligence — they have to do with artificial intelligence of 10 years ago," said David Waltz, professor of electrical engineering at the University of Illinois.

An example often given is that of expert systems, the programs that can diagnose diseases or help explore for oil. Although the computer programs are fairly adept at making stratuses they cannot be an experience. making analyses, they cannot learn from experience. Given the same set of symptoms, for instance, an diagnosis twice, even if the first one proves wrong.

"If you don't have an expert that can learn and have memory, manyou get a little anxious," said Pro-

fessor Schank, adding that expert systems are going on the market prematurely. Yet his company is often cited by others as an example of one that over-promotes its products. Cognitive Systems' literature advertises that the company develops systems that offer "all the benefits of having a human expert on your staff, but it never takes a lunch hour or goes on vacation."

Those entering the business say it is impossible to wait indefinitely for technology to be perfected be-fore introducing it commercially. Lee Hecht, president and chief executive officer of Teknowledge, said there are many applications -from electronic circuit design to diagnosing nuclear power plant ac-cidents — in which existing expert systems could save companies milons of dollars.

Besides the question of how sophisticated their products are, new companies may face a bigger stumbling block — lack of skill in man-aging a company and in focusing on specific market areas. They must also hang on until the market develops further and then face competition from the more estab-

genetic engineering companies formed by professors. For lack of management talent, money or products, many have fallen on s. Amiiciai inte "is even more university-bound than genetic engineering," said one analyst. "Some of those guys can't manage their way out of a paper

#### Market Summary, Sept. 22 Done Jones Averages NYSE Index Market Diaries AMEX Stock Index Standard & Poors Index **NYSE Most Actives** AMEX Most Actives 416 3812 2716 616 616 17 1316 316 Odd-Lot Trading in N.Y. Dow Jones Bond Averages Wednesday's NYSE Closing Prices

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lished companies. The same problems afflicted

# Helping Children to Endure Hospitalization

By Jane E. Brody New York Times Service

MINNEAPOLIS — Five year-old Alice, a cancer patient at the Minneapolis Children's Health Center, was taking her dolls for a ride in a wagon. "Where's everyone going?" she was asked by a child-life specialist. "Just for a ride," Alice replied. "But my dolls are sad because they'll never get to go home."

This was Alice's way of saying she thought

she would never go home. The remark opened the door to a discussion with Alice about the realities of her situation, which were quite the opposite of what she had imagined.

Going to the hospital is rarely a pleasant experience, but for children a hospital stay often produces emotional trauma that leaves longlasting scars.

Studies have shown that children under the age of 5 usually experience emotional difficulties, including resumption of bed-wetting and a fear of strangers, following even a brief hospital stay. For older children, hospitalization for more than a week often results in such psychological disturbances as heightened aggree increased anger and greater difficulty in learn-

Depressed adolescents who commit suicide are more likely to have been hospitalized early in life than depressed adolescents who don't.

And children who enter the hospital at a psychosocial disadvantage, such as having only one parent, are four times more likely than others to suffer emotionally afterward.

These findings, and the recognition that emotional factors are often critically important to physical recovery, prompted the Minneapolis center to build a new institution and develop new patterns of care specifically designed to meet the emotional as well as medical needs of young patients.

#### Training Course

All staff members at the center, including kitchen personnel, must take a child psychology training course so they can see things better through a child's eyes and get a feel for what a hospitalized child goes through. Professionally trained child-life specialists are available in every department. Doctors, nurses and others hold seminars and psychological discussions of challenging cases, as well as sessions to deal with staff reactions to difficult patients or depress-

Children are prepared for all procedures not only with an explanation of what is to happen but with discussions designed to elicit the child's anxiety-producing fantasies. Doctors never make "rounds" at the child's bedside; groups of residents do separate examinations and only then discuss the case in the child's

Play is not just an entertainment or distraction but an integral part of care at the center. Play therapy is used to help children express their feelings, act out their fears and auxieties, learn about their illness and maintain a sense of control over their lives.

Four-year-old John, who became mute after being admitted to the hospital last spring, was encouraged to play hospital after his drawings indicated an overwhelming sense of powerless-ness. At first he hacked violently at the doll patient with a syringe and taped its mouth shut "so it wouldn't ask any questions." A child-life cation. With their cooperation, John started talking again and gradually became more comfortable with his hospital stay. -

Although the center is unusual in the extent of its focus on emotional factors, many pro-grams to prevent the trauma of childhood hospitalization are now being introduced and tested in institutions throughout the United States.

At Brookdale Hospital in Brooklyn, for ex-

ample, youngsters scheduled for surgery tour the hospital beforehand, see a televised film on hospitals and surgery starring Fred Rogers of the television show "Mr. Rogers's Neighborhood," ask questions of a pediatric nurse and talk to children already in the hospital. They are told they can bring a forestic try or object are told they can bring a favorite toy or object with them and even take it into the operating

#### Fear of Needles

At the University of Chicago, in Minneapolis, and at many other institutions, preoperative play therapy is used to allay children's fears of needles, gowns, masked strangers, medical in-struments and machines. Through "doctor play," the children become familiar with equipment and procedures and have an opportunity to act out their fears and fantasies as well as what they have learned about their impending hospital experience:

Hospital personnel have noted a marked improvement in the attitude and behavior of children who go through preoperative programs, and studies have shown that such children re-cover faster and go home sooner. Lizette Peterson-Homer, a psychologist who directs a prehospital program for children at the University of Missouri at Columbia, reported: "Children are less anxious and more cooperative if they've received good, formal preparation. They seem to cry less, cling to Mother less and

The program at Brookdale is supported by a grant from Blue Cross and Blue Shield of Greater, New York, Prehospital programs are available through 12 Blue Cross-Blue Shield plans across the United States, and more than 200 hospitals participate. Through a gift from the Warner Communications Foundation, a \$1.4-million child-life center is being created at the New York Hospital-Cornell Medical Center

to provide a more natural environment for chil-dren during long or repeated hospitalizations. At Minneapolis, emotional care begins at the front door and permeates every aspect of treat-ment. Children entering the 10-year-old center are greeted by brightly colored and decorated walls and carpets, big stuffed animals, person-nel in street clothes and streamlined admitting procedures that get children to their rooms within 10 minutes. White walls are hard to find and white coats are nonexistent; staff members from custodians to surgeons wear smocks colorcoded to their jobs.

The center was built with the emotional needs of children in mind. Marvin Ack, a psychoanalytic psychologist, provided the professional guidance for the physical plant and the programs and techniques. As the center's vice president for human ecology, Mr. Ack may be the highest ranking psychologist at any general 

specialist talked to John's doctor, parents and said, "but no experience need have a negative nurses about his need for more open communieffect. If the child is able to master the experience, he will be better off than if he never had the experience. Coming to the hospital doesn't have to be bad."

Parents and siblings have unlimited visiting privileges and are encouraged to take part in the nonmedical care of the child. Parents of preschoolers, who find separation from parents more frightening than medical procedures, are urged to spend the night in the hospital room with their children. Anesthesia rooms were installed outside the

operating rooms so that a small child can sit on parent's lap while the anesthetic takes effect. Often the parent will place the mask on the child's face. Children are given a choice of 12 different anesthesia "flavors" (fruit-flavored or mint-flavored lip gloss is smeared on the mask) as part of an emphasis on allowing children to maintain as much control as possible over their fate in the hospital.

"Children can be given lots of choices without compromises to medical care: Does he want the shot in the right arm or the left, which food, what time a procedure is done, how many people in the room, etc." Mr. Ack said. The fears and fantasies of children of various

ages are routinely considered. For example, Mr. Ack said, many young children equate the phrase "put to sleep" with death (such as might happen to an old or injured pet), so anesthesia is referred to as "taking a nap." Similarly, the word "cut" is avoided because young children are very concerned about the integrity of their

#### **Lasting Concern**

"We try to unearth what the child thinks is going to happen to him and what the reason for the procedure is," Mr. Ack said. "A preschool child may think his operation is punishment because he went out without his coat. A 4- or 5rear-old concerned about the integrity of his body may think surgery will leave him not as complete. For some, this becomes a lasting concern, producing a man who must always demonstrate his physical prowess or who is desper-ately frightened of shots."

To maintain as normal an atmosphere as possible, there is a playroom on each floor where no medical ministrations are performed. The center has its own television station through which it provides information and entertainment appropriate for a hospitalized child. Resources to educate parents are also available in every waiting room throughout the hospital. There are two sets of elevators, one reserved for very sick children and those going to and from surgery, to reduce trauma to healthy visitors and outpatients and to keep sick children from being stared at.

"What we're providing here is not Cadillac service," Mr. Ack insisted. "It's what every child requires and deserves. Unfortunately, it's not spreading around the country as rapidly as it should because initially it costs money to set up these programs, though over the long run they probably reduce costs."

He pointed out that, although more than 40 percent of the center's beds were intensive care units, the average length of stay - 5.83 days was shorter than at all but two other children's,

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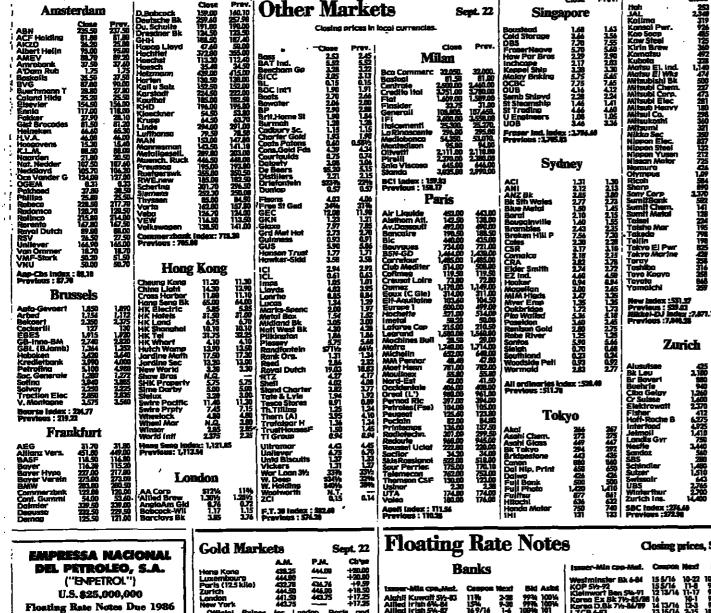
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d—New yearly low, u—New Yearly high.

Unless otherwise noted, robes of dividends in the torasolne table are encued disbursements based on the last quarterly or semi-annual designation. Special or active dividends or sometimes and designated as resultar are identified in the following toamsies.



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Other Markets

## Hens Kone 452.5 Luxembourg 444.90 Par's (12.5 kilo) 452.78 Zurich 445.90 London 441.50 New York 402.75 Official fixings for Lor Luxembourg, coening and the there Kons and Zurich, N.Y. U.S. dollars per ounce. Floating Rate Notes Due 1986 Floating Rate Notes Due 1986 Notice is hereby given pursuant to Condition of the Terms and Conditions of the obove mentioned Notes that the Rate of Interest (as therein defined) for the Interest Period (as therein defined) from 23rd September, 1982 to 23rd March, 1983 is of the annual rate of 139k/k. The U.S. deformant to which the holders of Coupon No. 9 will be entitled on duty presenting the same for payment on 23rd March, 1983 will be U.S. 568.1897 subject to such amendments thereto (or appropriate observative arrangements by very of adjustment) which we may make, without further notice, in the event of an extension or shortening of the above-mentioned therest Period. ERECPEAN-AMERICAN Gold Options (prices in \$/02.) Prices Nov. Feb. May

47.00-57.00 38.50-42.50 33.50-37.50 24.50-28.50 17.00-21.00 430 450 470 470 510 34.50-38.50 24.50-28.50 16.00-20.00 10.00-14.00 Gold 443,00 445,00

Valeurs White Weld S.A.

1, Qual du Mont-Blanc
1211 Geneva 1, Switzerland
Tel. 31 62 51 - Telex 28 305 EUROPEÁN-AMERICAN BANK & TRUST COMPANY

Weekly net asset value

Tokyo Pacific Holdings N.V. on September 20, 1982: U.S. \$69.46.

Listed on the Amsterdam Stock Exchange

Information: Pierson, Heldring & Pierson N.V., Herengracht 214, 1016 BS Amsterdam.

#### BAXTER/TRAVENOL INTERNATIONAL CAPITAL CORPORATION FIRST SERIE CONVERTIBLE PREFERRED STOCK

Bearer Depositary Receipts issued by Morgan Guaranty Trust Cy of New York A distribution of Dollar 0.21 per depositary share less any applicable taxes depending on the presentor's country of residence will be payable on and after September 22, 1982 upon presentation of coupon n° 22 at the office of any of

MORGAN GUARANTY TRUST CY OF NEW YORK New York, 30. West Broadway
 London, 1. Angel Court

Bruxelles, 35, avenue des Arts Paris, 14, Place Vendôme KREDIETBANK S.A., Boulevard Roval 43, Luxembourg.

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Korea D.Bis 714-86/89
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ARTHUR HOUSE

25% 16% 15% 45% 25% 25%

HURSDAY, SEPTEMBER 23, 1982

#### WALL STREET WATCH

By EDWARD ROHRBACH

#### **Concern for Banks Is Cooling** An Otherwise Torrid Market

Deople are thinking the unthinkable about the stock market. No, not I whether Joe Granville is still right and stocks really are headed south for the winter to around 600 on the Dow. The concern is a melt-down of the international banking system.

As E.F. Hutton notes in the brokerage firm's current Investment Sur-

vey, no banks means no stock market, not to mention other amenities in He as we know it. All of which provides Hutton's favorite "contrarian"

The silver lining Hutton sees in the dark cloud overhanging the industry is the fact that banks almost always have higher earnings as a group and will for the third quarter, it predicts — yet presently sport price/earnings ratios of less than six. It is inconsistent to be bullish on ther parts of the economy and hence on selected stock groups, but to be bearish on the banks at current multiples," Hutton says,

'Stay with the tape. It's

in the early months of

bull moves when the

Considered "especially under-valued" now by Hutton is Clticorp. Bankers Trust and First Chicago are also favored.

"Uncertainty over the interna-tional and domestic U.S. banking structure is the currently the biggest damper on investment enthusasm," according to Peter J. money is made.'
Smith partner in Cazenove & Co., London stockbrokers. He described the firm as "more cau-

tions" about Wall Street in the wake of its recent big advance. He said that September-October is the popular time for European portfolio managers to visit the United States and to decide on any changes in investment policy. Oil service and cable television stocks, two changes in investment poncy. On service and caple television stocks, two groups interesting to European investors because they're almost uniquely American enterprises, will receive special analysis, he said, with the question being whether they've bottomed out and are attractive again after being hit hard this year.

"Another interesting stock group is electronics," he said. "Has the

shakeont left dead men who must now be avoided as investments?" Gerard de Plinval, top portfolio manager at the French bank Crédit Agricole, sees November's U.S. congressional electons as pivotal for both the stock market and the dollar.

"The American people have suffered a lot in the Reagan administration's efforts to subdue inflation." he observed.

A reaction by voters to relieve the pain by electing fiscal liberals who push for reflation of the economy, he said, would bnoy Wall Street prices. Under that scenario, though the dollar will weaken, making the United States less attractive for investment by foreigners. If Reagan conservatives do well and restraint continues. Mr. de Plinval thinks the market will still be all right, with investors tolerating higher multiples on market will still be all right, with investors tolerating higher multiples on stocks because of the inflation squeezed out of their P/Es, while a strong dollar lures overseas funds.

Already, in less than two years under Reagan, many companies have restructured themselves for the new disinflationary climate, Mr. de Plinval noted. Two multinationals he cited were Eastman Kodak and General Electric. He said the bank is buying a number of stocks because they meet its criteria of a strong balance sheet, strong management and prodact leadership. Among these are American Cyanamid, Emerson Electric and NCR. Smaller companies also attractive because he thinks they will earn profits even if the economy remains sluggish are Harte-Hanks Communications and two chemical companies, Olin and Dexter.

#### Time for Weeding

Merrill Lynch's chief market analyst, Robert Farrell, who has not fully bought the upsurge since mid-August as a new bull market because stock pyschology never experienced the "capitulation" stage, warns against becoming "complacent" about stocks just because "a major low has been made." He advises clients to take advantage of further market strength to weed out "problem stocks," identifying them as being in the energy, basic cyclical and capital goods groups.

Pally convinced this is a charging bull market is Martin Zweig, whose stock-selections for Zweig Forecast during the past month have scored linge gains, though in early August he was cautioning clients, "This is no

"The major trend is immensely strong and should carry stocks much higher, even against the continuing background of financial shakmess," he said. "The bull market is climbing its usual Wall of Worry.' Stay with the tape. It's in the early months of bull moves when the biggest money

His top picks are Academy Insurance, Stryker, American Sterilizer, Emulex and USAir.

A few advisory letters did correctly call the mid-August market turn, according to Investors Intelligence, which tracks dozens of them. Probably the most profitable to subscribers, it notes, was Richard Dysart's Trandway Service. A family business in Louisville, Kentucky, since 1933, Trandway turned bullish at the bottom and came up with a list of 20 call

International Herald Tribune

#### The Stake of Money Market Funds in Banks Merrill Lynch Ready \$637 \$4D0 \$855 22,217) Merrill Lynch Cash Management Account Money Fund (13.925) 153 40 860 300 365 Asset Fund\* (9,673) 0 0 80 180 'Feb. 25: \*\*July 8

## Money Funds Give Banks a Scare Loan Woes Spur Large Withdrawals From CDs

some of the most prominent U.S. banks have prompted some money market funds to withdraw hundreds of millions of dollars from those banks and have thus become a destabilizing force in U.S. banking, according to Federal Reserve officials, bankers and some money fund executives.

The fear is that the money funds, which have be-come an important source of funds for banks, are reacting in lockstep in withdrawing their money from banks whose troubled loans have become widely publicized. Bankers and officials are concerned that money funds have become excessively sensitive to publicity given banking problems and are pulling out their now-defunct Drysdale Government Securities.

Although the money funds, by offering much highrates of interest than banks, have attracted billions of dollars that might otherwise have gone into savings accounts, much of that money has been recycled back into the big banks by investing the funds in large certificates of deposits.

At present the money funds control about \$200 billion. Based on figures supplied by Donoghue's Money Fund Report of Sept. 13, the 10 largest money market mutual funds, out of a total of 205, held \$24.7 billion

By Robert A. Bennett in bank CDs. The problem, bankers say, is not so much the total size of these holdings but the fact that at times a fund will suddenly pull a large amount out of a heart

Last July, for example, following the failure of Penn Square Bank of Oklahoma City, a number of money market funds pulled hundreds of millions of dollars out of Chase Manhattan Bank and Continental Illinois National Bank and Trust of Chicago, or

they did not renew deposits when they expired. The pullback by the money market funds was in response to losses incurred by the two giant banks as the result of energy-related loans the banks had pur-chased from the Penn Square. Chase had also experienced a large loss as the result of its dealings with the

These problems caused Continental to report a \$61million after-tax loss in the second quarter and Chase a \$16-million loss.

In terms of the banks' basic soundness, the losses were minute. At Continental, the loss represented only 2.9 percent of its equity and reserves for loan es, and at Chase only 0.35 percent. Equity is the amount invested in the bank by its shareholders. Chase and Continental were not the only major

(Continued on Page 17, Col. 4)

# **Prices on NYSE Close Mixed After Late Surge of Selling**

Compiled by Our Staff From Dispatches
NEW YORK — A surge of selling in the session's final hour
Wednesday caused recommend to Wednesday caused prices on the New York Stock Exchange to close mixed in extremely heavy trading. Analysis attributed the reversal to

a similar trend in bond prices. The Dow Jones industrial average was up almost 10 points in the age was up almost to points in the first hour of trading but changed direction in the afternoon and fin-ished down 7.18 at 927.61. Ad-vances finished with a slim lead

Volume soared to 113.2 million shares from 82.9 million traded Tuesday. It was the heaviest trading since 130.9 million shares

changed hands on Sept. 3
Hundreds of block trades in excess of 10,000 shares were recorded as institutions rushed to buy top-notch stocks prior to the end

of the third quarter.

Analysts said the because the
Dow average had gained about 160
points since the rally began Aug.
13, they expected some profit taking to occur in any further ad-

Analysts said investors were disappointed by the 4 percent drop in durable goods orders in August. Also, July durable goods orders were revised downward to show an increase of 2.5 percent rather than the 3.2 percent previously report-

The market's movement Wednesday was almost exactly the opposite of Tuesday, when buyers rushed in during the last hour of trading to push the Dow average up 18½ points.

There are a lot of nervous, anxious traders out there who can really affect the market," said Mi-chael Metz of Oppenheimer & Co. "All of today's sellers were probably the people who bought in the last hour yesterday."

John Smith of Fahnestock & Co. said there are still large amounts of capital on the sidelines that could keep the rally going.

Mr. Smith attributed the heavy volume to "the mass of capital flowing into New York from overseas, looking for a safe invest-ment." He said the precarious economies of many countries make U.S. stocks appeared to be a ha-

Observers were amazed by the NYSE's report Tuesday of a 24million-share increase to a record 120.5 million in the number of borrowed shares traders sold in hopes prices would drop. .

indicated the market still has con-in siderable support because inves-by tors will have to replace those

On the NYSE floor, technologyd. and oil stocks were particulary weak. Digital Equipment fell 5% to 1-b 84%, Texas Instruments 3% to 98, r-1 Teledyne 6½ to 92%, Superior Oil r 2% to 27%, Getty 2% to 54, and a Phillips 1% to 29.

Xerox, which announced a line of new copiers, rose 1% to 324 inlgi heavy trading Crum & Forster, which Xerox plans to acquire for ba S55 a share, dropped 14 to 48%.

## 'Friendly' Offer Made For Bendix by Allied

NEW YORK — Allied Corp... in a surprise eleventh-hour deal to prevent Martin Marietta Corp. from buying a controlling interest in Bendix Corp., agreed Wednes-day to a "friendly" takeover of Bendix in a transaction valued at roughly \$2 billion.

The latest development in the complicated takeover battle occurred hours before Marietta was to buy a majority ownership interest in Bendix - even though Bendix already owns a 70-percent interest in Marietta.

The Allied offer appeared to gain time for Bendix because Marietta would be unable to buy the Bendix shares tendered to it shortly after midnight, as its offer pro-vided. Under Securities and Exchange Commission regulations, any new bid automatically extends the time for stockholders to study the situation by 10 business days.

Marietta attorneys were expected to file a lawsuit immediately in federal court seeking exemption from the regulations.

Allied, the large chemical and

oil company, agreed in principle to pay \$85 a share in cash for about 13.9 million Bendix shares for a controlling interest and a swap of securities for the rest.

Marietta had offered \$75 a share for 11.9 million shares and a securities swap for the rest.

Earlier, a U.S. judge cleared the way for Marietta to buy a controlling interest in Bendix at midnight. Bendix immediately appealed the ruling, which was made just with hours after top officers of Bendix, o and Marietta met, apparently in a last-minute effort to settle differ-

U.S. District Judge Joseph pe Young complained publicly Tues-Af day that the takeover fight had be-Hc come so entangled that even the mit participants did not know what te was happening. "I don't think any-one has sat down and figured out who's going where," he said.

In seeking to block Marietta's purchase, Bendix argued that such are a move would be in violation of Eg Marietta's fiduciary duty to Ben-ed dix, its major stockholder. "The leas tender offer is a virtual catastro-io phe," a lawyer for Bendix said.

The takeover fight began last mp week when Bendix made its \$1.5- Sul billion bid, later raised to \$1.7 bil-y lion. Marietta started its offer for Bendix stock as a defensive mea- o sure and later enlisted the help of an United Technologies Corp. United ca. Technologies offered \$15 billion aw. for Bendix and agreed with Mar-on ietta to split certain of Bendix's as-Ho sets if either of their takeover offers prevailed.

in another development ed Wednesday, the Justice Depart-W ment asked United Technologies 110 for additional information on its Pc proposal to acquire part of Bendix. It i The request, which suggests the de-mc partment believes the move might ant violate antitrust law, will delay any tica purchase of Bendix shares by or United.

#### Scandal-Plagued Mitsukoshi Ousts President Two facets of the struggle made billion yen. Mitsukoshi's top com-

By Henry Scort-Stokes New York Times Service

TOKYO - The powerful chief executive of Japan's oldest depart-ment store chain, Mitsukoshi, was ousted from his post Wednesday in a boardroom struggle after scandal rocked the 310-year-old estab-

The company's board voted Shigeru Okada out as president by a 16-to-1 majority, a vote that culmi-nated weeks of allegations concerning his alleged management

"Mitsukoshi will now make a fresh start, fully cognizant of its social responsibility," the managing director, Tadayoshi Sugita, said after the vote. The board elected Akira Ichihara as presi-

Mr. Okada had dominated the prestigious store as president for a decade, but his removal came as a relief to investors. The store's stock rose 23 yen (about 9 cents) on the Tokyo Stock Exchange to

it more than simply another boardroom drama: Mitsukoshi is a key member

of the Mitsui group, one of the largest business groups in the world, comprising a score of financial, commercial and industrial concerns led by Mitsui & Co., the trading house, and Mitsui Bank.

• Most Japanese business lead-

ers are cautious in temperament and make collective decisions, but Mr. Okada was a powerful boss who ran Mitsukoshi pretty much according to his own design "More or less everything in Ja-

pan is decided by committee, by the group with a small g, but Okada seemed to challenge that fundamental practice," said a source at

Under Mr. Okada, the store chain has faced both scandal and a decline in earnings.
In the year ended last February,

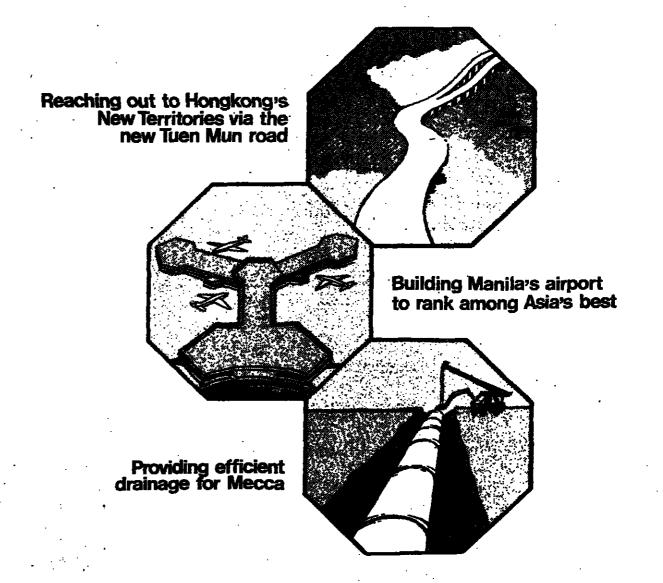
Mitsukoshi reported sales of 586.4 billion yen (\$2.25 billion), up 7.5 percent from a year earlier, but profit declined 28 percent to 7.5 petitors, meanwhile, increased their profits. The profit decline at Mitsukoshi was accompanied by jump in short-term debt from nothing to 24 billion yen between 1981 and 1982.

In recent months the performance of Mitsukoshi's biggest store was especially poor. In July sales were down by 5.2 percent, and

they slumped by another 10.3 percent in August. What brought the board to a

vote, however, was a scandal concerning an art exhibition. Mit-sukoshi staged an exhibition of Persian treasures recently, and a total of 47 items supposedly val-ued at millions of dollars were found by outside experts to be

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CONSTRUCTION & DEVELOPMENT CORPORATION OF THE PHELIPPINES Tierra Factors Building, 335 Busindia Awenus Extension, Makisa, Motro Mania, Philippines MCC P.O. Box 1953, Zp Code D-708 e Cable Address: CDCP Manilla Telex: Globe Mackey ITT 45538-CDCP PM, 45510 CDCP PM, ETP: 64148 CDCP PM.

## U.S. Durable Goods Orders Off 4% in August Compiled in Our Staff From Dispatches ing place is more sluggish than ear-painless way to fight inflation and Wednesday he believes a moderate WASHINGTON — New orders lier believed, more than offset a a tax-cutting route to a balanced recovery with annual growth of be-

of durable goods fell \$3.02 billion. or 4 percent, in August to a seasonally adjusted \$73.4 billion, the Commerce Department said

portation equipment and primary metals, the department said.

revised July increase of 2.5 percent. Originally the department said durable goods orders rose 3.2 percent in July.

Wednesday.

As the new evidence was preThe decline, the largest in 11 sented that the recovery may be
months, was concentrated in transbumpy, Martin Feldstein, President Ronald Reagan's nominee for chairman of the Council of Eco-The decline, which could indi-cate that whatever recovery is tak-

## U.S. Agency Rejects Move To Restrict Brazilian Plane

WASHINGTON — The Interna-tional Trade Commission has refused to impose tariffs on a Brazilian-made plane that Fairchild industries of Germantown, Maryand has said is able to undercut its competing aircraft because of

heavy government subsidies. The 19-seat Brazilian-made Bandeirante aircraft, known as the Randit, has become increasingly popular with regional U.S. airlines that, are proliferating because of reductions in government regula-

zilian company, Embraer, has had 92 Bandits purchased or ordered by U.S. airlines, and another 82 are already in operation with them. A Fairchild spokesman said the company has not yet decided whether to appeal.

Fairchild had charged that Em-braer, 51 percent of which is owned by the Brazilian Air Ministry, receives a 44-percent subsidy from the government of Brazil.

The commission staff reported at Tuesday's meeting that U.S. air-Fairchild has no backlog of or-ders for its competing 19-passen-ger plane, the Metro III. The Bra-better than the Fairchild product.

#### **CURRENCY RATES**

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budget.
"The extremists among both the supply siders and the rational-expectations monetarists who pre-dicted that inflation would be reduced without raising unemploy-ment have been decisively proven

"I think it is most unfortunate that this idea of stimulating supply rather than demand got a bad name when the label 'supply-side economics' was attached to some extreme rhetoric about self-financing tax cuts and emphoric forecasts

tween 3.5 percent and 4.5 percent will get under way shortly. His view of modest business re-

covery from now through the end of 1983 was the near unanimous opinion of U.S. business econo-

president-elect of the organization.
"Not only did those polled

of a painless transition to rapid predict a continuous recovery but, but inflation-free growth," he said.

Growth is expected, however, Reagan officials insist. Treasury upswing to continue into 1985 or Undersecretary Beryl Sprinkel said,

FIDELITY WORLD FUND embourg, 37, rue Notre-Dame R.C: Luxembourg B9497

Notice of Annual General Meeting

Notice is hereby given that the Annual General Meeting of the Shareholders of Fidelity World Fund, a société anonyme organized under the laws of the Grand Duchy of Linembourg (the "Fund"), will be held at the offices of Kredietbank S.A. Luxembourgeoise, 43, Boulevard Royal, Luxembourg, at 11.00a.m. on September 28, 1982, specifically, but without limitation, for the following purposes:

Presentation of the report of the Board of Directors; Presentation of the report of the Statutory Auditor; Approval of the balance sheet and income statement for the fiscal ended May 31, 1982;

year ended May 31, 1982;
4. Discharge of Board of Directors and the Statutory Auditor;
5. Election of Directors and Statutory Auditor for the ensuing year (Messix, Edward C. Johnson 3d, William L. Byrnes, Lord James-Crichton-Stnart, Charles A. Fraser, Hisashi Kurokawa, John M.S. Patton, Harry G.A. Seggerman, James E. Toaner, and Finintrust have been proposed as Directors. Maurice J. Sergant of Coopers & Lybrand, Brussels, has been proposed as Statutory Auditor.);
6. Declaration of a cash dividend to the Stareholders, such dividend to be paid out of the Engel's retained profits; and

to be paid out of the Fund's retained profits; and

7. In confirm for an additional period of five years from the date of
the Annual General Meeting the authority of the Board of Directors to
issue shares of the Fund within the limits of the Fund's authorised

the meeting.

Approval of Item 7 of the above Agenda will require a quorum of one half of the shares issued and outstanding and the affirmative vote of two thirds of the shares present or represented at the Meeting. Approval of the remaining Items of the Agenda will require to quorum and the affirmative voice of a majority of the shares present or represented at the meeting. Subject to the limitations imposed by law and the Articles of

Incorporation of the Fund, each share is entitled to one vote. A shareholder may act at any meeting by proxy. Dated: August 27, 1982 By order of the Board of Directors

Bolivia Unable to Meet Loan Payment LA PAZ — Bolivia is mable to fulfill its repayment obligations to a 128-bank consortium led by the Bank of America, according to Alfonso

Revollo, the finance ministe Mr. Revollo said Tuesday a repayment period expires in the next few days and that Bolivia is unable to meet a payment of \$40 million. Bolivia missed a payment of \$10.2 million about two weeks ago and was granted

20 days' grace by the banking consortium to pay.

Under an agreement reached by Bolivia and the banks on April 29,

1981, a total of \$450 million of foreign debt was rescheduled until Ang-

#### Group Seeks U.K. Woolworth Stake

NEW YORK - F.W. Woolworth has confirmed that it is holding talks with a British merchant bank that is attempting to organize a group to purchase Woolworth's 52.6 percent holding in the British Woolworth

In London, Charterhouse Japhet said Tuesday that it was the mer-chant bank involved but declined to identify the members of the buying

group.

Woolworth in New York said only that it expects a resolution of the talks within a week. The London Stock Exchange suspended trading Tuesday in Woolworth of Britain shares because of market rumors of an

## Philips and AT&T Study Cooperation

EINDHOVEN, the Netherlands — Philips N.V. opened formal negotiations Wednesday with American Telephone & Telegraph Co. on the development of digital telephone and communications systems, a Philips

The spokesman said the formal talks followed unofficial contacts over a long period and focused on possible cooperative development of digital telephone and other communications exchanges. "It is too early to say of Eurobonds what might be manufactured or where or how much would be involved."

#### Lloyd's Member Is Suspended

LONDON - Lloyd's of London, the worldwide insurance syndicate, has suspended a member from its ruling committee for the first time in its nearly 300-year history.

Ian Posgate was suspended after irregularities were found in the accounts of Alexander Howden, of which Mr. Posgate is a director. The affairs of Howden are being investigated by the Department of Trade and by London police because of information handed over Monday by a U.S. company, Alexander & Alexander Services, which took

#### over Howden last January. The controversy is over reinsurance business that Howden allegedly placed with companies secretly controlled by some of Howden's former directors and one former chairman. Alexander said this week it had filed suit against five former Howden officers. **VW** Extends Short-Time Working

WOLFSBURG, West Germany — West Germany's largest car manufacturer, Volkswagen, said Wednesday it would put workers on further short time at its six West German factories because of continuing falling

man said the measures would affect approximately one-third of VW's 120,000-member work force. He said the employees would work a total of 78 further short-time days on top of the 68 days set earlier in

#### Bethlehem to Close West Coast Mill

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Stock Index

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LOS ANGELES — Bethlehem Steel Corp. will give up steel production on the West Coast, the company has announced, shutting down its Los Angeles mill by the end of the year and putting its Seattle plant up for sale. The two plants represent about 4 percent of the company's raw

Compiled From Agency Dispotches

## **EC Orders More Cutbacks in Steel Production**

BRUSSELS — The European Community Wednesday predicted more hard times for the slumping steel industry and ordered cut-backs in output under an EC crisis

EC Industry Commissioner Etienne Davignon said steel consumption in the 10 member countries would drop to 24.1 million tons in the final quarter of the year, 3.4 million tons less than in the year-earlier period.

The EC steelmakers, moreover, will be able to export only about 5 million tons of steel, 2.3 million tons less than in the final quarter of 1981, Mr. Davignon said.

He predicted that widespread asses by European steelmakers continue into 1983 and that without cuts in production to match falling demand price wars would hurt the entire in-

"The reality of these figures will have to be taken into account," Mr. Davignon told reporters. "It's clear that in this situation one has

## New Offerings Top \$500 Million

LONDON - Dresser Industries. United Technologies and GMAC Overseas Finance led a number of ssuers to the Eurobond market Wednesday as a total of more than

\$500 million in paper was issued.
United Technologies is issuing
\$100 million of 12%-percent, seven-year Eurobonds at par; the is-sue is led by Goldman Sachs International. Dresser is offering a \$75million, seven-year issue, led by Credit Suisse First Boston, priced at 99% and carrying a coupon of

GMAC Overseas Finance is raising 100 million Deutsche marks through a five-year issue led by Deutsche Bank, bond market sources said. The issue carries a coupon of 814 percent, with par pricing, and is gnaranteed by General Motors Acceptance Corp.

Ontario Hydro is issuing \$200 million of 12% percent, 10-year bonds priced at 99½; Deutsche Bank is the lead manager. Japan Development Bank will issue a \$75-million, seven-year Eurobond. The issue, led by Morgan Guaran-ty and guaranteed by the Japanese government, will carry a 124-per-cent coupon and be priced at par.

to pay close attention to price Steel Community was formed in

Under the crisis plan, cuts will Mr. Davignon said the slump be made in production of hot rolled coil, uncoated sheet, galva-nized sheet, merchant bars, quarto plate and heavy sections. Quotas for wire rod and reinforcing bars was attributable to the continuing development of substitutes for steel and a worldwide recession in which there is less demand for antomobiles and other manufactured are untouched.

In the past four years, 150,000 jobs have been lost in the EC steel industry. In Britian, where the biggest cutback has been registered, the work force has dwindled to If the current trend continues, the annual rate of steel production in the EC will be less than 100 million tons, compared to 155 million in 1974. That would be the lowest total since the European Coal and 81,000 from 165,000 in 1978.

The U.S. Commerce Department has asked the International Trade Commission to postpone its final vote on whether the domestic steel industry has been harmed by Enropean competition, a ruling that could lead to import duties, Reuters reported from Washington. In a letter to the ITC chair man, Alfred Eckes, Commerce Undersecretary Lionel Olmer said talks are under way aimed at re-solving the trade dispute between Europe and the U.S.

(Continued from Page 15) fund's investors might withdraw their money if they see that the fund is holding a CD of a bank banks affected. Rumors spread about other big banks and they, too, were affected. Most of the that had recently encountered withdrawn deposits were shifted into Treasury bills or commercial paper, which are IOUs of large

In many cases, the money fund managers themselves had no fears about the basic soundness of the banks from which they had withdrawn money

The problem is that the fund managers must worry not only about the actual credit-worthiness of the bank whose CDs they hold, but also about the public's percep-tion of that bank's credit-worthiness. Each money fund regularly publishes a prospectus showing its

#### **More Banks Join** Loan for France

PARIS — Société Générale said Wednesday that four more banks have agreed to participate in the 10-year Euromarket loan for France, raising the amount un-derwritten to \$5.6 billion.

A reply from one other bank was still being awaited. If it is posi-tive, the amount subscribed will total \$5.7 billion, almost 50 percent more than the \$4-billion target announced by the French goverument last week.

The latest acceptances included Bank of America and Manufacturers Hanover Trust, which raised the number of U.S. underwriters to eight. Canadian banks now total four with Orion Royal Bank joining Bank of Montreal, Toronto Dominion and Bank of Nova Scotia. The number of West German underwriters also expanded to four with Westdeutsche Landesbank joining Commerzbank. Dentsche

Money Funds Throw Scare Into U.S. Banks investments. The fear is that the

> There are 400,000 investors in Shearson/American Express mon-ey market mutual funds who make their investments through 4,200 brokers, said Jeffrey B. Lane, senior executive vice president of the corporation, which runs a number of funds, including the \$6.4-billion Shearson Daily Dividend Fund. "I don't want to have to convince the 4,200 brokers that the bank's CD

It is this kind of attitude that is troubling many officials and bankers. They argue that because of the vast size of some of the money market mutual funds, their managers should consider the effect of their actions on the financial markets as well as the short-term interests of their clients.

is good, it's not worth my time," he

Most money fund managers do not agree. "You have \$200 billion of assets floating around, that's no small matter," Mr. Lane acknowl-

to take risks, be diplomats or heroes. We want our customers to sleep well."

Even those who are deeply con-

cerned about the impact of the money funds on the market concede that the fund managers' first responsibility is to their investors.
"I've felt for a long time that

we'd be better off if we had a smaller money market mutual fund industry, said J. Charles Partee, a governor of the Federal Reserve Board. "I've always thought of the funds as being impersonal investors with no contin-uing relationships that they want to preserve. They represent total self-interest — I wouldn't expect anything else from them."

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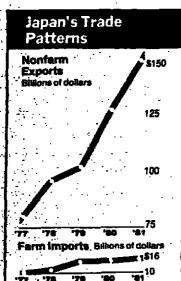
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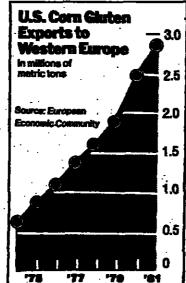
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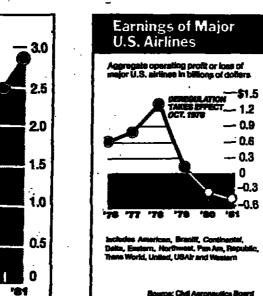
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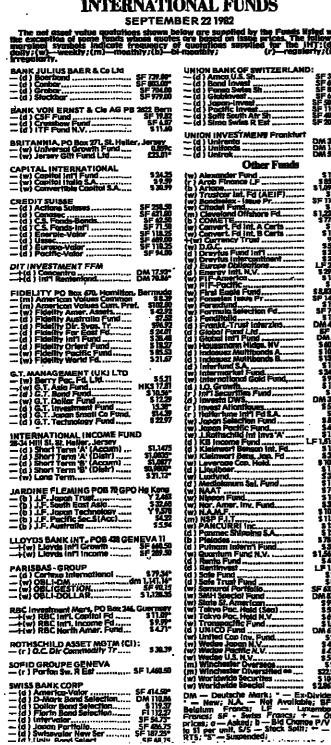
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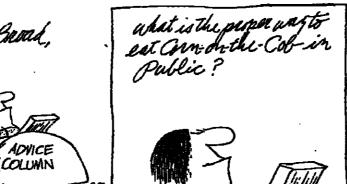
























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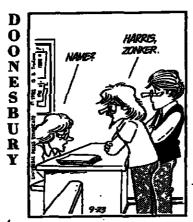
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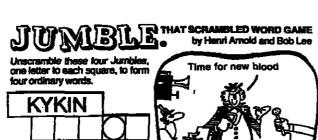


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### **BOOKS**

MONSIGNOR QUIXOTE

By Graham Greene. 221 pp. \$12.95. Simon & Schuster, 1230 Avenue of the Americas, New York 10020. The Bodley Head Publishers, 9 Bow St., Covent Garden, London £5.95.

Reviewed by Frederick Busch

ONE opens "Monsignor Quixote" (to quote Greene on another writer) "with all the excitement that comes from complete confidence in the author." The confidence is rewarded: this is a witty, often funny, and very moving novel. It is not made gray by the dourness of some of his lesser novels ("The End of the Affair," "A Burnt-Out Case"); this one is Grange with a manufacture of the Affair, "A Burnt-Out Case"); is Greene with a vigorousness of storytelling pleasure, and with an author's excitement over right characterization. He is at his best in this novel, and he knows it. I could feel him feeling so, probably against his will, as he wrote. That knowledge communicates itself to the reader, page by page and chapter by chapter. And by the time Father Quixote was blowing up condoms like balloons in the bordello to which his latter-day Sancho had taken

him, I was laughing out loud.

Quixote of La Mancha, an aging and comfortable parish priest, knows that he is descended from Don Quixote. While his bishop, who detests the unorthodoxy and zest in him, insists that a man cannot be descended from a character in fiction, the father quieta character in fiction, the father quietly refers to Cervantes as "the biographer" of his ancestor. His Sancho Panza, the recently defeated Commu-nist mayor of El Toboso, is named Zancas, "which was the surname of the original Sancho Panza in Cervantes's truthful history." Quixote of course calls his moribund beloved Seat car "my Rocinante, " after the first Quixote's horse. And that is the set of assumptions, offered from the start, with which this sweet novel begins. With two important exceptions, it is told, though in the third person, with the tone, and frequently the words, of Quixote's thinking. A peasant who is a priest and who is (nearly by accident) elevated to the rank of monsioner. Father Ouixote rank of monsignor, Father Quixote thinks about his faith. His voice is the novel's, and Greene is never patronizing — one hears the book as one hears the voice of a simple, decent, and thoughtful man. Wandering Pilgrimage

When he is made monsignor, the father takes a leave and embarks with Sancho on a wandering pilgrimage through contemporary Spain, toward and away from his doubts. The first, effortless chapter commences occa-sions for talk and more talk — about Sancho's forlorn Marxism and Quixote's earnest Catholicism - and provides a frame for tales and picaresque adventures, as well as lovingly wrought bibulousness. Never has wine been so well-appreciated in recent fiction. As the original Quixote loved outdated books of chivalry, so Sancho loves a Marxism that communism has left behind, while our Quixote's fa-vored books "are of chivalry too. Saint John of the Cross, Saint Teresa, Saint Francis de Sales." These two lovers of failed or neglected books of love drink and discuss their way across the crisscrossing paths of cruel Guardia and disapproving church. They offer us important small decisions: that "religion is the Valium of the poor"; that a white Roman collar may look "like a handkerchief signal-ing distress"; that the man who possesses complete belief lacks "the dignity of despair"; their speculations on birth control as related to moral theology are worthy of Hamlet's nurse and are worth the price of admission.

The analogy to "Don Quixote."

while used to propel the adventurers: in our minds, is not that heavily leaned upon by Greene. And it does not merely enchant. It serves to re-mind us that fact and fiction are not always easy to separate: a Trappist monk, who offers refuge to our heroes, says, "Fact or fiction — in the end you can't distinguish between them -you just have to choose." Faith could be such a fictional process, Greene tells us; God could be its product. He writes, Greene reminds us, not about ease in faith, but about the pain of doubt - intelligent religion, not mere miming of prayers.

Thus, the complaisant Quixote,

who can say he wants others to believe because "I want them to be hap-. reasons that "the believer will fight another believer over a shade of difference; the doubter fights only with himself." He reveals himself more and more, as the novel

Solution to Previous Puzzle



progresses, to be the doubter of whom he speaks. It becomes clear that while Quixote's love of God never diminishes, it is also true that "when I speak of belief, I become aware always of a shadow, the shadow of disbelief haunting my belief. In a summing scene that is at once hilarious and saddening. Quixote hears the confession of an undertaker, who has stolen the brass handles from a dead priest's coffin, while the father sits, hard before his eyes, on the seat of a toilet in the compartment of a men's receivin a bar: "He thought. I didn't say the right-words. Why do I never find the right words? The man needed help and I recited a formula. God forgive

God might, but the church and state will not Quixote is knownped by the church whose efficacy he doubts and whose mandarins he em-barrasses. (The scene in which Sancho looks for him, and meets Englishspeaking tourists, is very funny and touching.) The state is after Quixote. and Sancho too, and we have seen the Guardia in delily noted moments, more and more clearly menacing them. We feel actual threat accumulating and when the idle journey becomes headlong flight, it feels like suitable action because Greene has made us feel that Quixote is born to be hunted. And he has made us feel that such a good man — "O God, make me human, let me feel temptation. Save me from my indifference" — is bound to be brought down by such a world as ours.
Unlike the father, Greene has felt

temptation. He is lamma. But the women in this novel—as if by now Greene, named priest, were himself remouncing them. nouncing them — are either literary (Don Quixote's Dukinea), sainted (Therese), or splendid incidental peas-ants (the father a housekeeper Teresa, ants (the father's housekeeper Teresa, who serves up borsemeat steaks as aged beer). Strong women of flesh and blood are absent, and it strikes me that Greene is comfortable with the absence, in his last novel. "Dr. Fischer of Geneva," Anna-Louise, the narrator's wife died early in the book; her hours of life on the page were rather inconvincing anyway. In the novel before that, "The Human Factor," Maurice surrenders everything for Sarah and then must leave her behind. And in "Monsagnor Quixots;" hind. And in "Moneignor Quixote;" the central woman, not dead or de-serted of necessity, is samply never serted of necessity, is simply present: she lives in the word of the church and the minds of believers as a saint. If Greene's personae are gradusaint is creene's personae are gradi-ally stripping the life of flesh from themselves, his genus is not — this novel has absolutely as much about the body of the world as it needs, and its lean and simple language offers us an amplitude.

The novelist, a doubting Catholic, declares his art to be free. And the novel, of course, from here on, is about a contest between Quixote and his fate. What occurs, Greene reminds ns, is about a unique soul on the earth. Greene works hard - as in his public statements about his fiction to remind us that he is not writing propaganda for a church, or a literary source. He is concerned with how, in belief takes place. He makes his character work because of the story the father descends from. He then teaches ns about writing as an art and story as its servant by making Quixote master of the story in which he began. The end of the novel must remain

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between you and Graham Greene.
You needn't bother to reread Cervantes's "Don Quixote" before you read this novel. But do read this novel. el. See if, at the end, as I was, you aren't amazed by how effortlessly Greene makes the obvious into something new, and the unlikeliest event into a real and plausible occasion. And those "balloons" in that boi-

dello? The good father reads himself to sleep with the "prophet Marx," and he sleeps the whole night through. He is wrapped in darkness and wakened to light by the master, whom you ought to see at work and, most happily for us, very much at play. I don't know when he's been better. He is Rembrandt with laughter Rembrandt, with laughter.

Frederick Busch's most recent novel is "Take This Man." A new novel, "The Outlow Jew," will be published in the spring. He wrote this review for The Washington Post.

Sex Education Book Halted

The Associated Press

NEW YORK — St. Martin's Press,
publisher of the children's sex-educktion book "Show Me!" has stopped distribution because of a U.S. Sh preme Court ruling upholding a law barring use of children in servally ex-plicit photographs, regardless of whether they are judged obscence. The book, first published in West Germany in 1974, contains photographs of nude children. St. Martin's said it feared they could be interpreted as violating the law.

### BRIDGE

By Alan Truscott

taking advantage of the favorable vulnerability to put pressure on her opponents.

After the overcall of three hearts, West raised to five diamonds. This was an accurate save, for the penalty would be a mere 300. Unwilling to accept this, North not unreasonably tried five hearts. Now East judged that her two aces made a successful defense likely, and produced a surprising penalty double.

The defense had to be accurate to defeat five hearts. West led his singleton club, and when the king was played from dummy, East dropped the nine, a suit preference signal for spades.

The declarer tried the heart finesse and West won. He shifted to the spade queen, and East won with the ace and played a club. West's ruff was the setting trick, and 200 points gave

At nearly all tables, North South made a game or collected a penalty, ON. the diagramed deal, East from a diamond contract.

NORTH(D) **◆9753** ♥8863 ♣KJ1082 EAST WEST ◆AB ∇7 ○A T109 **ÖAJ10985** ØQ432 **49753** SOUTH ... **♦**K2 VAQ154 ♦ K 76 #AQ4 The bidding:

North and South were vulnerable 30 Pass 3.0 DbL Pass

New YORK — Here is the essence of dispute that prompted the National Football League players to go on strike.

ISSUES—The members of the NFL Players Association contend that their average salaries lag too far behind revenues pro-duced by the league's national television contracts and the rising nicket prices charged by the 28 clubs. The union says the average player salary in 1981 was \$83,811. Management says it was \$90,102.

To get what they perceive as their fair share, the players are ing a fixed percentage of the owners' television contracts. In their last contract proposal, the players asked for 50 percent of the television revenues for the next four years, a total they put at \$1.6 billion. They also demand that the \$1.6 billion be given to the union, to be dispersed through a wage scale based on seniority.

The owners, who have offered \$1.6 billion over five years, are demanding a settlement based on individual contract negotiations, which is how the players have always been paid.

WHO IS AFFECTED—About 1,500 players, most of whom belong to the union; the owners of the 28 clubs; many of their non-athlete employees who are paid on a game-by-game basis; individuals, such as parking lot owners, whose income is generated by NFL games, and millions of fans around the United States.

WHAT IS AFFECTED-The NFL's 16-game regular season, possibly the three rounds of playoffs leading to Super Bowl XVII, and programming on the three television networks.

OUTLOOK—Because the conflict is one of ideologies as well as dollars, and both sides are adamant, the strike could cancel a significant part of the season.

#### **SPORTS BRIEFS**

#### Appeal Court Stays NCAA TV Ruling

DENVER — A panel of federal judges Wednesday granted a request by the National Collegiate Athletic Association for a temporary legal order that will prevent colleges from selling television broadcast rights to

Howard Phillips, clerk of the appeals court, said the stay of a lower court order nullifying the NCAA's multimillion dollar contracts with networks to televise college football games was granted pending a final order by the U.S. 10th Circuit Court of Appeals.

The order stays a ruling last week that held the NCAA in violation of federal antitrust laws and struck down existing television contracts.

#### Raiders Said to Sue for \$22.5 Million

LOS ANGELES — The National Football League could be forced to pay the Los Angeles Raiders and the Memorial Coliseum more than \$2.5 million damages as a result of an antitrust decision against the league, the Daily News of Los Angeles reported Wednesday. The newspaper said court documents revealed that the Raiders were

seeking \$22.5 million damages against the league while the Los Angeles Coliseum Commission is asking for \$5 million. Antitrust awards are automatically tripled.

#### Ruling on Lauda Appeal Postponed

PARIS — An international auto racing tribunal has postponed judgment on an appeal that could be critical to the outcome of the World Drivers Championship until three days after the final Grand Prix at Las

It ruled Tuesday that it had insufficient evidence to judge the appeal by the McLaren team against the disqualification of Niki Lauda from third place in the Belgian Grand Prix because his car was four pounds underweight. The tribunal called witnesses and ordered documents presented at a new hearing in Paris Sept. 28.

Keke Rosberg of Finland holds the lead with 42 points, while John Watson, Landa's teammate at McLaren, has 33 and Landa 30. If Landa waison, Landa's teammate at McCaren, has 35 and Landa 30. If Landa wins Las Vegas and Rosberg finishes sixth, to get one point, or does not accore, then the appeal could be decisive. Landa would have 39 points, and a successful appeal would restore his four points to give him 43.

#### IIF Agrees on Olympic Eligibility

Tennis Federation has unanimous-12 3. 2 1 ly agreed on a condition for allowing professionals to compete in the 1988 Olympic Games in Scoul if the sport is returned to the Olym-

In announcing the decision this week, Philippe Chatrier, president of the IIF, said: "The idea is that players, amateur and professional, and professional, and must only play in IFT recognized tournaments for the four years pre-eding the Olympic Games in or-der to qualify for the Games."

The International Olympic Committee must still decide on the readmission of tennis as an Olym-Dic sport, however, and the idea of millionaire stars such as Jimmy Connors and Björn Borg competing in the Olympics is certain to generate strong opposition.



Philippe Chatrier

## Borg Envisions November Comeback

STOCKHOLM — Björn Borg has started training for his comeback after being away from pro tennis since April. "He is just as good as carlier," Borg's trainer, Lennart Bergelin, said Wednesday. "Björn has enormous self-confidence and has improved his serve. He is, plain and simple, the old Biorn Borg." Borg will not compete in the Stockholm Open in early November, but

te should make his return in Antwerp, Belgium, on Nov. 29.

#### Unsigned Players Conspicuous in NBA

NEW YORK - With the National Basketball Association training camps scheduled to open in nine days, only three first-round draft choices have signed — Dominique Wilkins, No. 3, Atlanta Hawks; David Burdkill, No. 15, Phoenix Suns, and Mark McNamara, No. 22, Philadel-Phia 76ers.

In my 20 years of being associated with pro basketball," said Larry Basket, the general counsel of the National Basketball Players Association, "this is the first time I saw so few first-round picks unsigned so chose to the opening of the camps. . . It is clear that this a concerted select on the part of club owners to thwart free agency and to dramatically reduce salaries of rookie contracts. It's also definitely tied to the

Any reduce salanes of roome contracts. It's also deministy that to the current collective-bargaining negotiations and is meant to intimidate the ways into panic signings. This has not happened."

I think such a statement by Mr. Fleisher is outrageous," said Russ Granik, the NBA general counsel. "If players have not signed as quickly is in the past, it is not the product of any concerted action, but perhaps because NBA teams do not have the funds to meet the ever-escalating demands of the players involved." demands of the players involved."

## Pistons Bring Another Russell to NBA Delroit

PONTIAC, Michigan — The Detroit Pistons extended a family tradition in the National Basketball Association with the signing of rockie guard Walker D. Russell.

The younger brother of Frank Russell, who played for the Chicago Bulls in: 1972-73, and Campy Russell, who plays for the New York Knicks, has signed a multiyear contract with the Pistons, Jack McClostey, the team general manager, announced. Terms of the agreement were

gan University, where he was an all-conference guard, ranked 41st in scoring in the NCAA last season at 19.9 points per game.

## **Islanders Sign Potvin to Lucrative Pact**

UNIONDALE, New York — Denis Potvin, a free agent defenseman, has signed a multiyear contract with the New York Islandsers estimated at \$450,000 a season.

"On behalf of the team, I want to say how pleased we are to have Denis under contract," said William A. Torrey, the Islander general nanager, after Tuesday's agreement. "I'm looking forward to another accessful season for both Denis and the team. I expect that Denis will

start working out immediately with the club.

Potvin, who turns 29 next month, is one of three defensemen in NHL. istory to score over 200 goals in his career. The others are Bobby Orr and Dong Mohns. Potvin, in nine seasons with the Islanders, is the club's

econd-leading scorer with 207 goals and 474 assists for 681 points. Compiled From Agency Disposches

# Both Sides Settle In for Lengthy Strike

By Michael Janofsky

New York Times Service
NEW YORK — As the National Football League's first in-season player strike got under way, each side was talking about the possibility of resuming games without the other rather

than resuming games without the other rather than resuming negotiations.

No negotiations were scheduled, training facilities around the league were closed on orders of the Management Council, and the scheduled games of the season's third week were virtually eliminated.

On Wednesday the NFL announced that a game Thursday night between Atlanta and Kansas City would not be played as scheduled. A spokesman specified that the league was not cancelling the game, but merely stating that it would not be played Thursday.

Jack Donlan, the executive director of the Management Council, had said previously: "We will be examining the situation day to day. From a practical standpoint, if the game isn't played Thursday night, we would be hard pressed to play games through the

"If the players don't come to practice Wednesday and Thursday, and there's no game Thursday night, it's clear we won't play Sunday. Then we'll re-evaluate our position to determine whether we'll open to see who comes

He added, however, that the league was in-

terested in the possibility of playing games only if the players available — nonstriking vec-crans and free agents — were "of NFL cal-

In Washington, meanwhile, the NFL Players Association proceeded with its plans to establish a six-team "All-Star League." The teams would be composed of striking players and would represent each of the NFL's six divi-

Bob Wussler, the president of the Turner Broadcasting System, the cable network that plans to televise these games, said from Atlanta that the league would open with a game Sun-day, Oct. 10, either in the Cotton Bowl in Dalias or at Franklin Field in Philadelphia and that another game had been scheduled for the next night at Robert F. Kennedy Stadium in

Donlan said that the council would take le-gal action against any NFL player who joined

The basis for such an action, according to Dennis Curran, the council's labor relations at-torney, is a clause in every player's contract that precludes the player from participating in non-NFL football-related activities or activi-ties that involve a significant risk of personal

Dick Berthelsen, an attorney for the players association, argued that this clause did not necessarily apply. "The standard player contract was unilaterally imposed upon the players by the clubs in 1976, before there was a collective bargaining agreement in 1977, he said. At a news conference Tuesday, Donlan outlined steps that the league had taken.

Donlan said that the council had informed the 28 clubs that players should not be paid any part of their salaries for the third week of eason and thereafter, whether the players the season and thereatter, whether the players were active, inactive or injured; that players would not be allowed to practice at club facilities; that players would be allowed to enter club facilities Tuesday to pick up personal belongings or to get medical treatment but that beginning Wednesday players could not receive treatment or rebabilitation at club facilities, and that the clubs would continue to pay for treatment or rehabilitation of injured play-

■ Garvey Says Season Not Dead

Ed Garvey, executive director of the NFL Players Association, said Wednesday that he did not believe a lengthy strike would necess ily force the NFL to scuttle the season, United Press International reported from Chicago.

Appearing on a television interview program, Garvey said: "The strike could go a long time, but I don't think that would necessarily cancel the season. There's a lot of ways to make it up. There's a dead week between the playoffs and the Super Bowl for one. And the players are prepared to extend the season."

## The Players' Proposal

NEW YORK - Details of the latest contract offer proposed by the National Football League Players Association and rejected by the NFL Management Council:
TOTAL PACKAGE—\$1.6 billion over four years.

SOURCE-\$1.068 billion from the NFL's five-year package with the three TV networks and \$532 million from other team

DISTRIBUTION—Under a league-wide salary cap each season, to be paid from a fund administered by team management. For 1982, the total would be \$325 million; 1983, \$400 million; 1984, \$425 million; 1985, \$450 million.

COVERAGE-Minimum salaries, pension, ance pay, incentive bonuses, playoff money and compensation for players whose previously negotiated individual contracts pay them more than the minimum wage scale (they would receive the higher

SALARIES—\$81,000 for a rookie this year, \$89,000 for a rookie in 1983, \$94,000 for a rookie in 1984 and \$99,000 for a rookie in

1985. The range goes as high as \$333,000 for a 12-year veteran this year to \$409,000 for a 12-year veteran in 1985.

After 12 years of service, a player would receive \$15,000 for each year past 11 years and that money would be placed in a taxsheltered individual severance account to be taken out only after a player leaves the NFL. Pro Bowl selectees would receive an undetermined additional base salary amount.

Owners would spend an additional maximum of \$500,000 per year on signing bonuses for rookies or free agent veterans, and contribute \$15 million a year to the pension fund and \$3 million

per year to a jointly administered insurance fund.

FREE AGENCY—After three complete seasons in the league.

### Phillies Snap Cardinal Victory Streak at 8 As Carlton Wins 21st With 14 Strikeouts

ST. LOUIS - Pete Rose drove in two runs with a single and a sacrifice fly, and Garry Maddox singled home two more to cap a three-run, fifth-inning rally, lead-ing the Philadelphia Phillies to a 5victory over the St. Louis Cardinals Tuesday night behind Steve

#### BASEBALL ROUNDUP

Carlton's 14-strikeout perform-

Carlton (21-10) scattered nine hits and walked two in halting St. Louis's winning streak at eight games. By winning, Philadelphia moved back to within 4½ games of the first-place Cardinals in the National League East

Fielding errors by St. Louis in the third and fifth innings account-ed for four Philadelphia runs off the Cardinal starter, Eric Rasmussen (0-1), including all three in the decisive fifth.

The Phillies pounded out 13 hits off three Cardinal pitchers. "Tonight they were aggressive." Pat Corrales, the Phillie manager, said of his players. "It's something you can't explain. It's something on the bench that you can detect."

#### Reds 6, Giants 5

Cincinnati, Gary Redus drove in two runs and scored twice to lead the Reds to a 6-5 victory over San Francisco before 6,038 - smallest crowd in Riverfront Stadium history.

Cabs 1, Pirates 0

In Chicago, Jody Davis hit a two-out single off reliever Rod Scurry in the seventh inning to score Gary Woods and lift the Cubs to a 1-0 victory over Pitts-

Astros 5, Braves 3

#### Mets 2, Expos 1 Expos 5, Mets 1

In New York, Ron Gardenhire hit a leadoff homer in the 10th inning to give the Mets a 2-1 victory over Montreal in the first game of a doubleheader. Chris Speier's home run and an RBI double by pitcher Scott Sanderson ignited a four-run third inning that enabled the Expos to salvage a split, 5-1.

#### Padres 3, Dodgers 0 In San Diego, John Montefusco and Luis Deleon combined on a

six-hitter in pitching the Padres to a 3-0 victory over Los Angeles. Tigers 11, Orioles 1 In the American League, in Bal-timore, Lance Parrish hit his 30th

homer of the year to lead Detroit

to an 11-1 rout of the Orioles, who remained two games behind the Milwaukee Brewers, who also lost. Red Sox 4, Brewers 3 In Milwaukee, Jim Rice's twoout single to center scored Glenn Hoffman from third base with the

winning run in the 10th inning to

rive Boston a 4-3 victory over

#### Milwankee. Angels 2, Royals 1

In Anaheim, Calif., pinch hitter Daryl Sconiers singled home pinch runner Gary Pettis with one out in the ninth inning to give California a 2-1 victory over Kansas City.

#### Indians 9, Yankees 8 Yankees 6, Indians 2

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Hough, Mattack (4) and Sundbery; Conroy and Kacrisey. WCorroy, 1-2, L—Hough, 15-12, HR—Oakland, Gross (9).

Transactions

POOTBALL

Metienal Poolinat League BUFFALO—Walved Hick Mile-Mayer, Rick of, and Alian Claric, rouning back. Signed Leman partish, cornerback, and Efren Herrura, Ricker.

Canadian Feetbell Langue
MONTREAL—Signed Miles Garrell, offer

HOCKEY

to Lavale, Dennis Martin, Ross Yotes and Jet Pyls. Centers; Dan Gillek, Brian Caushilis. Pau

key League, Returned Randy Conteron, Bill Julie, Kevin Skilliter and John Mulassak, de-armen; Breat Lovey and Mile Hoffman, left

In New York, Jerry Mumphrey broke a 2-2 tie with a sacrifice fly in the fifth inning to boost the Yankees to a 6-2 victory over Cleveland in the nightcap of a doubleheader. The triumph In Houston, Danny Heep dou-bled to knock in two runs and shortstop Rafael Ramirez commit-baseman Willie Randolph with the

#### Tuesday's Major League Line Scores

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(7), Leach (9) and Bochw, W.—Sanderson, 11-12,

L.—Swan, 18-7, HR.—Montrest, Spaler (6).

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LDavis, W.—Jenkins, 13-15, L.—Scurry, 4-5.

Son Francisco 900 101 300—6 42 Claveland 16' New York 05' Sorensen, Glynn (6) and Nah Wilcox, James (9) and Parrish, Fahay (8); Davis, Saddickar (3), Film (3), Stanhouse (4) and Demasey, Raylord (8), W—Wilcox, 13-8, L— Davis, 7-4, HRs—Detroit, Lerson (16), Parrish (20). 990 101 390-5 19 2 309 012 99x-6 8 1 Vins. W—Gitrley: 7-72. L—Breinins. 19-5. HR—
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Corfton and Viroli; Rosmussan, Lohil (5),
Mura (7) and Tenoca, W—Carlton, 27-18. L—
Resiniussen, 8-1. HR—Philodelphia, Schmidt Sileb and Martinez; Viola Beris (7), Little (8), Cooper (9) and Laudner. W-Sileb, 15-14. L—Vis-ia. 44. HR—Torocks, Upshow (79), Torrez, Burgmeier (9), Clear (9) and Altenson; Medich, Bernard (18), McChert (18) and Simmens, W—Clear, 148. L— Medich, 11-14, HR—Milwaukes, Maltar (18).

America 051 807 100—3 11 1
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Come, Walk (51. Meere (6) and Sinctre, Owen .
(6): Rubite, Knepper (7) and Ashby, W—Rubite, 613. L—Camp, 11-10.
Las Asseles 980 and ans.

Major League **Standings** 

**NHL Exhibition Games** 

Philodelphila 5, Martradi 4 Quebec & Toronto 2 Boston 5, New York (skenders 5

In Minneapolis, Willie Upshaw hit a bases-empty homer and an RBI double and Garth lorg drove in two runs with a triple and a single to power Toronto to a 5-1 vic-

#### tory over Minnesota. A's 6, Rangers 1

Blue Jays 5, Twins 1

In Oakland, Tim Conroy pitched a five-hitter to win his first major league game, propelling the A's to a 6-1 victory over Texas.

Mariners 5, White Sox 4 In Seattle, Julio Cruz hit a oneout single in the ninth to score pinch runner Paul Serna and lift the Mariners to a 5-4 victory over

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Steve Cariton

## Removal of Clippers' Owner Urged by Special NBA Panel

SAN DIEGO - The National Basketball Association has taken the first step to terminate Donald T. Sterling's ownership of the San Diego Clippers.

A special committee voted unanimously Tuesday to recommend Sterling's removal after a day of meetings in New York during which Sterling made an appearance but was not available afterward for comment. Sterling purchased the Clippers from Irv Levin on May 4, 1981 for \$13.5 million.

The special committee was formed in the aftermath of Sterling's unsuccessful bid to move the franchise to Los Angeles in early June. It was empowered to investigate Sterling's operation of the franchise, consider the proposed move and consider the advisability of a second franchise in Los Ange-

les. That committee's investigation she led to Tuesday's announcement.

The recommendation will go to Af the Advisory-Finance Committee, Hc probably by the middle of Octo-milber. Should the Advisory-Finance te Committee concur with the special low committee's findings, a three-quarters vote of the Board of Governors would terminate Sterling's

ownership of the franchise.
An NBA franchise has never been terminated, nor has the pro-'edcess of removing an owner ever lea reached this point. In the eyes of the special com- h

mittee, according to sources, Ster-mp ling was undone by several factors. sul A critical factor may have been sy the controversial luncheon of last Jan. 7, when Sterling openly talked to of finishing last to position the an Clippers to acquire Ralph Samp-ca

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Intermen: Breat Lotter and Allice Hoffman, left whee; Lotry Power, center, and Denis Dore and Ramy Gilhon, right wines, to their Junior teams.

NEW YORK ISLANDERS—Returned Todd Lambord, seatler, laccuses Sylvestre, Chuck brimmer and Roger Kortto, centers; Neal Coulter, right wine; Ros Handy, Garry Locay and Alon Kerr, left wines, and Varn Smith, defensemen, to their junior teams, Signed Denis Pelvin, determentant, to a two-year contract.

PUTTSBURGH—Stened Michel Dion, socile, to a three-year contract.

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#### Compiled by Our Staff From Dispatches ted a two-run error in helping the bases loaded allowed Mike Har-Astros to a 5-3 victory over Atlangrove to score from third and cap a four-run ninth inning that lifted the Indians to a 9-8 victory.

#### ART BUCHWALD

# **Pray for the Schools**

WASHINGTON — According But if you have to cut federal proto Barbara Bush, the vice grams it's easier to do it in educapresident's wife, the United States is having an illiteracy epidemic. In the 1950s the United States ranked 18th among United Nations members in literacy. Now it ranks 49th. It is estimated that there are 60 million people in the country who are considered illiterate or functionally illiterate.

This poses a major problem for the country's future, and I broached it to someone in the

Reagan administration.
"What are we going to do if we have a nation of dummies, and you people keep cutting back on edu-cation in the federal budget?"

"We have to make some hard choices." he said. "We can either afford smart weapons and dumb kids, or dumb weapons and smart kids."

"But how can a dumb kid fire a smart weapon?"

"Because they're built so anybody can fire them. "Isn't a nation's security based

on the brains of its people?"

"It used to be. But now with the new hi-tech computers it's not that essential. As long as you have a few good programmers you don't need a lot of people with college

"How can a superpower rate 49th in literacy and still maintain its position in the world?"
"It's not easy," he admitted,

degrees."

"but so far we've managed to do it. Naturally we'd like to have more citizens who can read and write.

#### **Box Office Slow** For Moon Movie The Associated Press

LOS ANGELES - "Inchon," the Korean War movie financed partly by the Rev. Sun Myung Moon's Unification Church, is off to a slow start at the box office despite a \$1-million promotional sweepstakes.

The \$48-million film took in \$2.3 million at 1,291 theaters during its first weekend, said a spokesman for the distributor, MGM/UA This year's box-office winner, "E.T. — The Extra-Terresattracted \$4.2 million at 1,253 theaters last weekend, after 101 days in release.

Moon followers have passed out flyers at airports and train stations urging people to "Go See

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tion than it is in defense." "It doesn't make any sense. What is the country going to do with 60 million illiterate people?" "We're going to have to make an

effort to improve the school systems and upgrade the salaries of our teachers. "How do you do that if the government won't provide the neces-

sary funds to pay them?" "We start by allowing voluntary prayers in school."

How would that improve the school system?" "It would give children an op-

portunity to pray for a better edu-cation. Teachers could pray for better pay. And school supervisors could pray for better teachers."

"So the administration believes praying is the solution to the country's illiteracy epidemic?"

"It's not the whole solution, but it would certainly go a long way to solve the problem. Do you remember when the Soviets sent up Sputnik and everyone in this country suddenly felt that our schools had let us down? We prayed that we could come up with a space program that would put the Russians to shame, and when we landed men on the moon, our prayers vere answered."

"We also put a lot of our money into education at the same time," I reminded him.

"Those were the days when we could afford prayers and butter. Now we can only afford prayers, and that's why the president is working so hard for the school prayer amendment."

There are some people who say the school prayer amendment is just a smoke screen to make parents forget their kids aren't learn-

ing how to read and write."
"They're wrong. You don't solve illiteracy problems by just throwing money at them. Once we put God back into the schools, we're going to see a tremendous improvement in the education of our children, and it won't cost the taxpayers a dime."

"I'll pray you're right." I said.
"Because if you're not, the next generation of Americans will turn out to be a bunch of real dumb-

"We know we're right. A nation under God is the only kind that can afford to cut its education budget to ribbons."

# The Bible, According to Reader's Digest

By Curt Suplee Washington Post Service WASHINGTON — In the beginning was the Word.

And the Word was too long. So Reader's Digest, which has been shrinking notable tomes for 32 years, has taken on the Bible, blue-penciling the Good Book down to a lean, trim 450,000 words — the ecclesiastical equivalent of a greatest-hits album.

To transmute the formidable original into a fluid narrative for the "Peanuts" generation, editors whacked 50 percent out of the Old Testament, 25 percent out of the New. As a result, "The Reader's Digest Bible," to be published next week, is a full 40 percent shorter than the Revised Standard Version, which was used as the basic text.

The editors didn't just chuck the begats and chop out a few massacres. In the Digest's highcompression engines, every passage has been squeezed to the minimum: Even Jesus' words have been reduced 10 percent to eliminate repetitions, and when God gets a little windy in the Old Testament, he is simply cut off.

Gone entirely are thousands of redundant words, thoughts and incidents, and myriad snippets of genealogy, geography and architecture. Gone, too, are the double-column format of the Revised Standard and those colon-spotted chapter-and-verse numbers that are the bane of Sunday school students. The text is laid out like a novel, with longer paragraphs the width of the page, crisp introductions to each book and a splendid index.

'Now." boasts the Digest, "You can read the Bible cover to cover." Testaments without tears. No wonder Pat Boone felt compelled to warble his endorsement of this "eminently readable but still authentic Bible feast! Put my name on the list for one of the first copies!"

#### Least-Read Best Seller

That's the kind of reaction they were hoping for back in 1975, when John Beaudoin, head of the Digest Condensed Books works, had a vision: The Bible, although "the leading best seller of all time, paradoxically is one of the least read of all important books": its 800,000 words and repetitious, unfamiliar

style" prevented thousands from the many different strands of

trying.

There was already a host of reductions on the market: paraphrases, abridgments such as the Shorter Oxford Bible, hybrids such as "The Living Bible" (1971) combining translation and discussion, and pop renditions aplenty. But none, the Digest felt, was a "true condensation" leaving the structure of all 66 books intact.

market research showed wide buyer potential, the Digest asked veteran editor John E. Walsh to be head of the project. Walsh quailed in "absolute consternation" at the prospect, but later agreed. The group then engaged the eminent biblical scholar Bruce Metzger of Princeton as general editor, and obtained copyright permission from the National Council of Churches to use the Revised Standard - chosen, Walsh said, for its contemporary accuracy, wide acceptance and 'stately, prestigious prose." (The Digest wanted a Protestant version, and the King James was rejected as "frequently archaic and obscure.")

'Condensation Editors' Walsh got seven "of the most experienced condensation editors in captivity," who ended up working for three years — 20 times the effort required to shrink a similar body of fiction, Walsh said — constantly consulting Biblical commentaries as they tweezered out the redundancies.

Metzger, who also wrote the introductions, provided a prelimi-nary list of "block cuts," whole sections of expendable text or mega-redundancies. (See chapter 7 of Numbers, Metzger says.) He also specified passages that could not be touched, such as Psalm 23, the Beatitudes, the Lord's Prayer and - woe unto modern backsliders - every subclause of the Ten Commandments. After that, the scissor boys went to work.

Some books suffered more than others. Big losers: Exodus and First Chronicles, both down 70 percent; and Luke, which took a 25 percent trim. Ecclesiastes, Esther and Malachi survived at least three-fifths intact, and a generous 85 percent of John and Mark remain. Walsh said the hardest books to edit were the Revelation, Samuel I "because of

narrative," and Job and Isaiah "in the exposition."

Heaven remains the "firmament"; the antique "knew" has been retained for sexual relations; there are still "pinnacles of agate" and "gates of carbuncles." And although 5 percent of the language is "new" — inserted to stitch up transitions over the cuts - editors took pains to use words that already occurred in the respective books. Still, the So it came to pass that when diction and sentence structure are often more plain than the

Revised Standard text. This is achieved at some cost to rhythm and tone. Ecclesiastes and Isaiah sound somewhat less gloriously indignant, and the Lord seems less imposing an orator than in the Revised Standard. In fact, he can be downright prosaic. Consider his injunction to Noah. In the King James, it

"Make thee an ark of gopher wood; rooms shalt thou make in the ark, and shalt pitch it within and without with pitch. And this is the fashion thou shalt make it of: The length of the ark shall be three hundred cubits, the breadth of it fifty cubits, and the height of it thirty cubits. . . And take thou unto thee of all food that is eaten, and thou shalt gather it to thee; and it shall be for food for thee and for them."

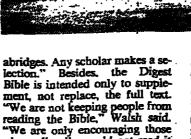
A little florid, certainly, at 85 words, but decorous and grand. The Revised Standard normalizes the syntax, changes the thees and thous to you, keeps the cubits and actually ends up six words longer.

#### The Digest Version

Here's the Digest version: "You are to make an ark of gopher wood and cover it with itch. Make it four hundred and fifty feet long, seventy-five feet wide, and forty-five feet high . . . Also take with you every sort of food, and store it up for you and them." But you get the drift, and the passage is shorter by more than half. Subsequent reductions were obtained by deleting God's specific instructions regarding "clean" and 'unclean" animals, as well as the rest of Genesis 7:1-10.

Such excisions provoked no qualms in Metzger, whose approval was required at each stage of the work: "Whenever a minister preaches a sermon, he

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at all. Still, when word of the project got out, the Digest was bombardwith hostile mail and many fundamentalists are still in a theological swivet. In 1979, the Rev. Jerry Falwell wrote the Digest calling the project a "serious mistake." "Metzger may be an able scholar," he said, "but his approach and conviction concerning the divine inspiration and absolute infallibility of scripture are suspect." Falwell further charged Metzger with violating Revelation 22:18-19, which forbids aftering "the words of the prophecy of this book." The Digest says that passage "really amounts to an ancient copyright notice" in an age of hand-copied manuscripts. Falwell will editori-

who ordinarily would not read it

alize against the book in his church magazine. The book has drawn praise

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however, from dozens of clerics; including Norman Vincent Peale (for its "reverently sunovative manner") and Oral Roberts (for keeping the general flow of the Bible going"). To promote the low-fat scrip-ture, Reader's Digest, never averse to laying up treasures, will employ a \$100,000 advertising

campaign, a direct-mail blitz and special displays for bookstores. Readers can choose the \$1635, standard edition with a sunrise over Mount Sinai on the dust jacket, or the slipcased, leatherbound deluxe edition at \$24.95; both will be distributed by Random House. With Christian interest on the

rise and public literacy on the wane, expectations for the pa less Writ are apocallyptic. "It could become," Walsh said, "the most valuable version of the Bible available to today's read-

## PEOPLE

Former Brazilian Baker Finds \$394,000 Nugget

A former baker who went to the Amazon jungle to seek his fortune has discovered the largest gold mugget ever found in Brazil. Clovis Tayares of Aracatu, in eastern Brazil found the nugget at the Serra Pelada gold mine in the beam of the Amazon, the Ministry of Mines and Energy said. The in try said the nugget weighed 615.6 Troy ounces. It was bought by the Federal Savings Bank, the state organization charged with porchasing all gold from Brazilian prospectors, for \$394,273, Tavares. however, will receive only \$27,599 because he had 12 parmers. Serra Pelada, Brazil's largest gold mine, was begin in early 1980. It has produced more time 31,000 pounds of gold, all dug by hand.

Richard Berton and Elizabeth Taylor will appear next spring in a production of Neel Coward's Private Lives," The New York Times said. The two will portray a di-vorced couple who meet again when each is honeymooning with someone else. Burton and Taylor. who were married to and divorced from each other twice, recently separated from their spouses, Sew. Warner, Republican of Virgin-ia. They have not acted together on stage since 1966 in Barton's production of Marlowe's "Dr. Fanstus." The Cowled revival will be performed in Washington, New York and Los Angeles

Elena Balovienkov, an American nurse who flew to Molecus twice this strumer in an effort to win an exit visa for her Soviet hasband. said she is expecting her second child Vari Balonleshov, 33, a for-mer computer specialist, went on two hunger straigs trying to obtain an exit visa to join his wife and their 2-year-old daughter, Eastina in Baltimore, Mrs. Halovienkoy, 29 a teaching nurse, said little progress had been made toward obtaining the visa. It still appears the earliest Yuri will be able to leave the Soviet Union is at least sizeral months from now or, at the latest, in 1985, she said. During her last stay in Moscow, in August. Mrs: Balovienkov persuaded her husband to end his hunger strike by deceiving him, telling him he would get the visa if he ended his fast. Since then, she said, he has resigned himself to stay alive for me and our daughter."

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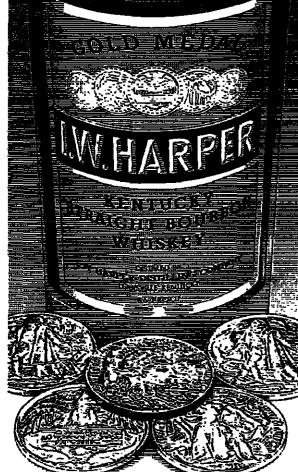
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